

The **NATIONAL UNDERWRITER**

Life Insurance Edition

ALL THE COMPANIES ARE THE "BEST"...

All the life insurance companies in America are the "best" companies because they are all dedicated to helping people build individual security.

All companies are "best" because Life Insurance is the only means by which to compensate for the economic maladjustment of death too soon or death too late.

All companies are "the best" because their Agents seek to render to the public the finest service it is possible to give, in connection with a matter which will not be attended to, in most cases, without this service.

The
**NATIONAL LIFE
AND ACCIDENT**
Insurance Company, Inc.



INDUSTRIAL INSURERS CONFERENCE

FRIDAY, MAY 16, 1947

*Is the
welcome mat
out for you?*

It depends on how well prospects know and respect your company. That's where The Saturday Evening Post comes in.

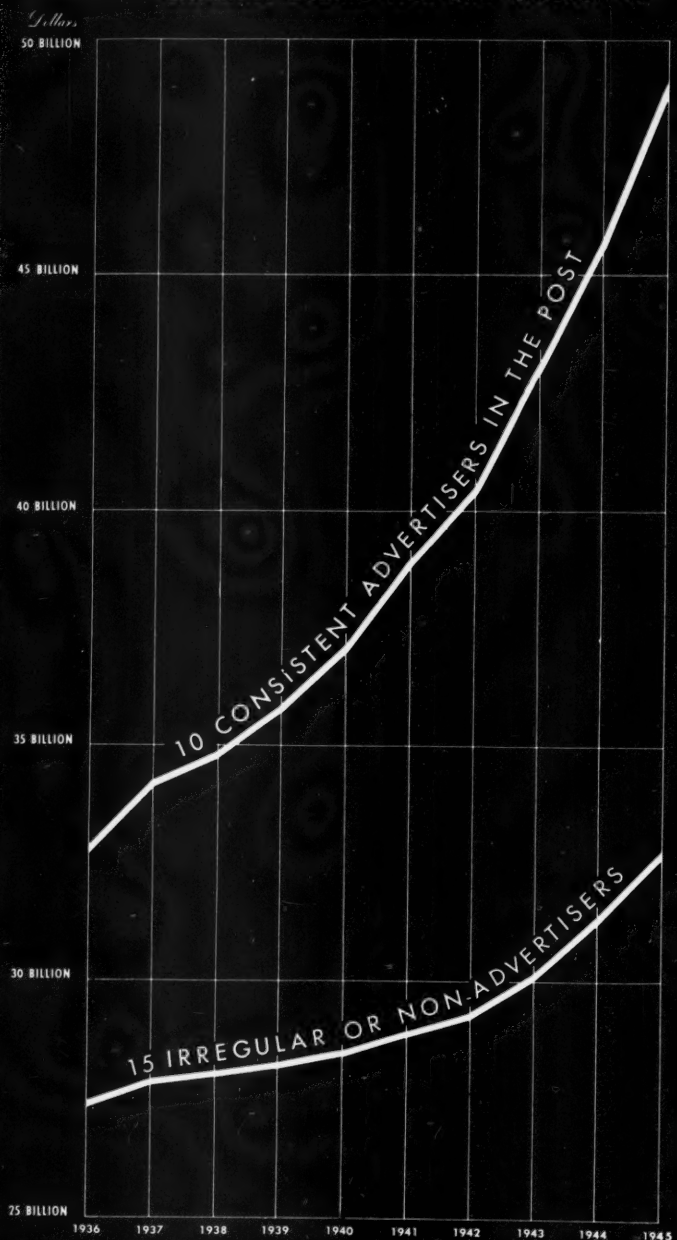
Take a look at the chart on this page. It indicates the growth of 25 leading insurance companies during the past ten years.

The top curve shows what has happened to the ten companies that have consistently advertised in The Saturday Evening Post. It indicates that the Post helps to spread out the welcome mat... for you.

► Advertisements in the Post reach the best prospects—the people whose education and income are well above average.

► Advertisements in the Post get attention. People like to read ads in the Post—far more than in any other magazine.

GRAPH SHOWS THE GROWTH OF ORDINARY LIFE INSURANCE IN FORCE (IN BILLIONS OF DOLLARS) WITH LEADING LIFE INSURANCE COMPANIES DURING 1936 AND THROUGH 1945



For this ten-year period the growth of ordinary life insurance in force among the ten consistent Post insurance advertisers has been more than three times as great as that of the fifteen irregular or non-advertisers.

**It pays to have the
Post pave the way.**

THE SATURDAY EVENING
POST

Chicago Meet Adds Impetus to National Managers' Assn.

**Section Seeks Entity
to Do Better Job; Ties
with N.A.L.U. Remain**

At the management conference in Chicago of the General Agents and Managers section of N.A.L.U. a resolution was unanimously approved urging the executive committee of the section

to take appropriate action at the National Association annual meeting to establish a national association of general agents and managers. They endorsed the resolution to this effect that the executive committee of the section had passed at the mid-year meeting of N. A. L. U. It was emphasized that the new association would retain definite affiliation with N.A.L.U. and that the proposal will be placed before the trustees at Boston in order to give the section entity on a national basis which it already has on the local level, so that a better job could be done with the problems of agency management.

The executive committee resolution made at Milwaukee read: "A national general agents' and managers' association should be established with its own officers to be composed of general agents and managers with certain specified dues to the national managers' association, but with definite affiliation with National Assn. of Life Underwriters and with a prerequisite of membership in the managers' association to be that of membership in N.A.L.U."

The Chicago endorsement to this resolution reads: "That these recommendations of the executive committee be endorsed by this group and that this endorsement be submitted to the executive committee of the general agents' and managers' section at its meeting in September, 1947, with request that recommendations be carried out by appropriate action."

This approval grew out of a round table discussion on organization and structure on the final day of the meeting. Presiding skillfully was Osborne Bethea, Penn Mutual, New York City, section chairman. Round table leaders were R. Sclater Brown, Equitable of Iowa, Nashville, eastern vice-chairman; Ray E. Haberman, Northwestern National, Minneapolis; Claude C. Jones, Connecticut Mutual, Indianapolis, and Lee Wandling, Equitable Society, Milwaukee, area chairman. There was considerable discussion from the floor.

It was emphasized by Mr. Bethea that the purpose is not separation from N.A.L.U. but is motivated by: 1. A wish to render better service to the agent, both as an individual and through the national association. 2. To strengthen the position of field management as such. 3. To provide better contact on management problems with the life company associations.

The chairman pointed out the re-



Osborne Bethea

Program of N.A.I.C. Atlantic City Meeting Announced

The general committee on the Atlantic City meeting of the National Assn. of Insurance Commissioners has completed the program. Convention headquarters will be at the Chalfonte-Haddon Hall. Time shown is eastern daylight saving.

SUNDAY, JUNE 1

10 a. m. Registration desk open.
2:30 p. m. Executive committee meeting.

Agenda: (1) Securities registered in the name of a nominee. (2) Daily rate of expenses of examiners on convention examinations (at request of Commissioner Bowles of Virginia and Zone 2). (3) Consideration of amendment to constitution regarding examinations committee (at request of Superintendent Jackson of Missouri and Zone 3). (4) Consideration of committee to function with respect to life insurance filing under the CSO reserve and non-forfeiture statutes. (5) Consideration of consolidating committees at suggestion of Chairman Larson, Florida. (6) Consideration of report committee on blanks. Followed by meeting of committee on central office. Forbes of Michigan, chairman.

4:45 p.m. Prudential Family Hour broadcast, Viking Room, Haddon Hall.
6 p.m. "New Jersey Journey," movie, same room.

7-9 p.m. Get-together party. Cocktails and buffet supper.

MONDAY, JUNE 2

9 a.m. Joint meeting of rates and rating organizations committee and committee on federal legislation. Harrington of Massachusetts, chairman.

Agenda: Multiple state advertising. Consideration of implementing rate regulatory statutes. Coordination of supervisory activities under various rating laws. Laws dealing with the regulation of unfair practices. Uniform interpretation of the standard of rate making. Explore necessity for state anti-trust law to round out modern state regulatory program. Discussion of Clayton act.

10:30 a.m. Plenary session of association. President Dineen presiding. Welcome, Mayor Altman and Host Commissioner Carey of New Jersey. Response, Commissioner Thompson, Oregon. President's address, Dineen of New York. Secretary's report, Parkinson of Illinois.

quirement that a member of the national managers' association, according to the Milwaukee resolution, will be required to be a member of N.A.L.U., which will strengthen ties with the parent body. Some of the 84 local managers' sections now operating, do not require membership in N.A.L.U.

Mr. Bethea declared there is no effort on the part of the general agents and managers to further the candidacy of an individual for national office and neither has the section tried to throw its influence as a group for or against any issue which is being decided by the parent body. He said the managers are a constructive, non-political group.

PERSONS ON TRAINING

Henry W. Persons, Mutual Life, Chicago, gave a fast moving chronological account of the development of his training philosophy since he became manager two years ago of a large Chicago agency.

Mr. Persons said it soon became evident to him that if there was to be any

2 p.m. Blanks committee meeting, Robinson of Ohio, chairman.
2 p.m. Taxation committee meeting, Carlson of Utah, chairman.

3 p.m. Standard nonforfeiture and valuation laws subcommittee meeting, Hooker of Connecticut, chairman.

4 p.m. Valuation of securities committee meeting, Dineen, chairman.

7:30 p.m. Sea food dinner, Chalfonte.

TUESDAY, JUNE 3

9 a.m. Fire and marine committee, White of Mississippi, chairman.

Agenda: Report of subcommittee on underwriting profit or loss; Moser amendments to rating law, and national advertising amendment to unfair trade practice act.

9:30 a.m. Fire prevention committee, McKenzie of Arkansas, chairman.

10 a.m. Laws and legislation committee, Butler of Texas, chairman.

Agenda: Consideration of plan for compilation of all model and uniform statutes approved and recommended by N.A.I.C.

11 a.m. Multiple coverage committee, Harrington, chairman.

11:30 a.m. Real estate committee, Pearson of Indiana, chairman.

2 p.m. Life committee, Allyn of Connecticut, chairman.

3 p.m. Accident and health committee, Knowlton, New Hampshire, chairman.

4 p.m. Workmen's compensation committee, Hodges, North Carolina.

6-6:45 p.m. Cocktails, Chalfonte.

7 p.m. Banquet, Chalfonte. Governor Driscoll of New Jersey, speaker.

WEDNESDAY, JUNE 4

9 a.m. Casualty and surety committee, Bowles, chairman.

10 a.m. Examinations committee, Johnson of Minnesota.

11 a.m. Plenary session, reports of committees.

2 p.m. Joint meeting of rates and rating organizations committee and committee on federal legislation, Harrington, chairman.

3 p.m. Social security committee, Fischer of Iowa, chairman.

3:30 p.m. Uniform accounting committee, Gibbs of Texas, chairman.

9 p.m. Pamunkey Tribe of Real Indians annual meetings.

THURSDAY, JUNE 5

9 a.m. Final session. Election of officers. Adjournment.

plan in the agency it might be a good idea for the manager to make some sort of plan of his own. He realized that if there was to be a plan, it should be definite, on paper, readily understood by everyone so that all concerned could concentrate on the most important points rather than to decide each morning what was to be done that day. In laying down this plan, Mr. Persons said he figured there were two jobs, first to eliminate the unfit, and next to retrain those who survived.

Another job was to build a new organization to take care of erosion and elimination. The prime factor was to develop a training program with which the old organization could do a better job and which would fit the new men as well. The size of the job meant standardization of a plan working toward simplification.

Mr. Persons said that today training is the most important of the manager's duties. He adopted the company's own program because he had been through it himself and the plan was fundamental and afforded him an opportunity to do

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Actuarial Society Convention Draws Record Attendance

**Switch to CSO Table,
Dividends, Underwriting,
Expenses in Spotlight**

NEW OFFICERS ELECTED

President—Horace R. Bassford, Metropolitan Life.

Vice-presidents—E. M. McConney, president Bankers Life of Iowa; and Henry S. Beers, vice-president Aetna Life.

Secretary—Walter Klem, Mutual Life of New York.

Treasurer—Oliver W. Perrin, retired.

Editor—John R. Larus, Phoenix Mutual.

NEW YORK—A record attendance of more than 430 and an exceptional address on a timely and significant topic by President Edward W. Marshall of Provident Mutual, marked the annual meeting of the Actuarial Society of America. Mr. Marshall's paper, dealing with life insurance in relation to the anti-trust laws, was regarded as an exceptionally able treatment of a difficult subject and one that would stand as a landmark for many years to come. Mr. Marshall's talk was reported in last week's issue.

Horace S. Bassford, vice-president



H. S. Bassford



E. M. McConney

and actuary of Metropolitan Life, the new president, was on a field trip on the Pacific Coast with President Leroy A. Lincoln of his company, and notification of his election was telegraphed.

Bassford's Biography

Mr. Bassford, vice-president and chief actuary of Metropolitan, joined the company in 1915 as a clerk in the actuarial division. In 1919 he became section head in charge of the newly organized group life and health section. He became a fellow of the Actuarial Society in 1920. He was appointed an assistant actuary of the company in 1923, actuary in 1936, and vice-president in 1944.

He has served two terms on the council of the Society. He is an associate of the American Institute of Actuaries and a member of the American Mathematical Society.

The six new members of the council elected were J. G. Parker, Imperial Life; F. B. Gerhard, Prudential; Wendell A. Milliman, Equitable Society; Valentine Howell, Prudential; William J. Cameron, Home Life, and George W. Bourke, Sun Life of Canada.

President Marshall reported that dur-

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Two Cases a Week Vitaly Important, Says H. R. Smith

Purdue Marketing Course Director Talks to Managers' Section in Chicago

Production of an average of two cases a week is vitaly important to an agent's success, said Horace R. Smith, director of the Purdue life insurance marketing course, at the meeting of the general agents and managers section of the National Assn. of Life Underwriters held in Chicago.

Mr. Smith pointed out that the 1946 study made by L.I.A.M.A. of Million Dollar Round Table members indicated an average rate of production of 134 cases a year. Mr. Smith's own previous inquiries, addressed to many outstanding life insurance men, brought out the fact that 100 cases a year was the normal self-assumed case rate of a very large number of quality men.

"It was found, and each of you can check your own experience and that of your associates, that outstanding men in the quarter million, half million, and million dollar class, will generally approach the 100-case rate, plus or minus no appreciable number," he said.

"Objectively, such a case rate is desirable from the standpoint of the underwriter because it will produce a larger number of policyholders and clients in a short period of years, thus easing the job of prospect production when client service work begins to impose a burden. Furthermore, the activity required to produce two cases weekly and the consequent improvement in morale by active production is immensely worthwhile in self-management. The underwriter who has a conscious, constant capacity to produce two cases weekly, automatically eliminates fear from his sales complex. The destruction of this element is valuable and exceedingly worthwhile. The practical elimination of doubt and apprehension is the only solution that is lasting.

Matter of Average Policy Size

"It, therefore, is obvious that the only difference between the quarter-million, half-million, and million-dollar producer writing 100 cases annually, is a difference in average size policy. The size of case is, therefore, a matter of subjective analysis of the other two factors, namely quality of prospect and quality of interview."

Mr. Smith said that the way to find out why a man who is having plenty of interviews is not making enough money is to have him draw a line through the center of a sheet of paper and head one side "No Money" and head the other side "No Interest." The agent then takes his prospect cards and determines how many of them fall into each classification. If the "No Money" objections predominate, then he is working among the wrong kind of prospects. If most of them are the "No Interest" variety it means that he lacks an interesting sales presentation.

Gives Nomenclature

"The production of new life insurance is the result of the expenditure of effort units in the direction of name selection, prospect production, seen calls and closing interviews," Mr. Smith said. "In order to aid the agent in having some specific terms in mind and before an honest evaluation of his effort can be attempted, there definitely must be a

mentally understood terminology: 'Seen calls'—a purposeful discussion on some phase of life insurance lasting 10 minutes or longer; 'closing interview'—the complete presentation of a life insurance plan for the prospect, who is given a minimum of five opportunities to buy. The presentation may be either a package plan or a program developed in either a one or two interview system.

"On the basis of these defined terms, a simple and individually applied formula can be established for each underwriter requiring the expenditure of effort units which will produce a desired case rate, interpreted finally in terms of annual volume and commission income needed to support the financial objectives of the underwriter.

"The underwriter is all too frequently confused by the use of inexact terminology and varying ratios for expenditure of effort units, sometimes called the ratio of seen calls to closing interviews to completed sales. When exact terms and fixed ratios are established, then the new man can be supervised with full appreciation and the ratios can be changed from time to time, based upon established experience."

Field Efficiency Important

While the ratio of hours in the office to hours in the field must never be controlling because some men are more efficient than others, nevertheless this information is necessary in order that the new man or the established man will have a full appreciation of the actual earnings of each type of hour and their relative value to him, Mr. Smith said. This system alone will tend to improve field efficiency.

The mere fact that a man may be producing say, \$10,000 a week and has been doing so for 30 weeks, doesn't mean that he may not be on his way out of the business, said Mr. Smith. One way of determining this is to check his field efficiency. If eight weeks ago he got his normal production from 20 new prospects and 20 calls and 10 interviews and now he is expending twice as much effort to get the same amount of business each week his field efficiency is getting worse. He is bound to be discouraged. If he doesn't correct these faults as they occur and if the manager doesn't see them his failure is just around the corner.

Know New Agents

Mr. Smith stressed the importance of knowing prospective agents for a considerable time before hiring them. His inquiries have shown him that a number of new men taken on are definitely neurotic or psychotic and that a high percentage of these were known to the man who hired them less than 30 days before they were taken on. Consequently, it was difficult or impossible to spot these bad personality traits before induction.

Mr. Smith, who had charge of training large numbers of men in the army's accelerated training course during the war, said it had been found that men can absorb new material about six times as fast as had previously been believed possible. While he admitted that the stimulus of war and the instinct of self-preservation were factors, he said a great deal more can be accomplished in this direction in life insurance training than has been done in the past.

Honor Phoenix Veterans

Arthur M. Collens, president of Phoenix Mutual, and Howard Goodwin, vice-president, were speakers at an informal dinner for a group of the company's senior employees. Charles E. McCarthy, manager of policy issue, was toastmaster.

Phoenix Mutual Seniors is a newly created organization made up of employees who, up to the end of 1946, had completed 25 or more years of service, and of former home office associates who have retired under the company's pension plan.

"MECHANICAL BRAINS"

Electronic Machinery and Potential Insurance Uses

NEW YORK — The potential future usefulness to the insurance business of electronic machinery for handling information was foreshadowed in the talk by Edmund C. Berkeley, chief research consultant in the general office administration department of Prudential, at the meeting of the Actuarial Society of America here. Much of the material in Mr. Berkeley's paper is taken from his forthcoming book on the subject to be published by John Wiley & Sons.

The new mechanical and electronic computing machinery, like ENIAC in Philadelphia and Aiken's Mark I at Harvard, are machines that handle information with extraordinary speed and flexibility, no matter how long the routine of handling may be. It is natural to call these machines mechanical brains or supercalculators and to speak of them as machinery that thinks, he said.

Far-reaching Effects

This new machinery is certain to have far-reaching effects in all fields where the handling of information is the bulk of the work. Insurance is such a field, and this new machinery is of propound significance for actuaries.

The present paper has three purposes. There are four or five great mechanical brains now actually working. This paper describes them very briefly. In this part of the paper, what is reported is facts.

In the laboratories now working on new machinery to handle information, the scientists are finding some remarkable results. This paper briefly describes some of the new discoveries. In this part of the paper what is reported is experiments and results.

New machinery now being built will have many uses in the life insurance business. This paper describes some of these uses. In this part of the paper what is discussed is possibilities.

No Human Being Needed

"The first characteristic feature of a mechanical brain is that information can be automatically transferred from any part to any other part of the machine. You can imagine it as a battery of calculators or punch card machines all cabled together. No human being is needed to pick up a physical piece of information produced in one part of the machine, personally move it to another part of the machine, and there put it in again."

The second characteristic feature of a mechanical brain is that control over the sequence of operations is built into the machine. The whole routine to solve a problem can be prepared beforehand, and put into the machine. Then you press the "start" button, and away it goes, printing out the answers as it gets them.

The machines now working are: One at Harvard University; one at Massachusetts Institute of Technology; two at Aberdeen, Md., and one at Langley Field, Va. All of them have the two foregoing features. Two of these machines have a third and very important feature: They will operate unattended, change themselves from one problem to another, and never allow wrong results to come out of the machine.

Another feature of a mechanical brain is that it handles information at speeds much greater than any previously available; 5,000 additions a second is the operating speed of ENIAC, the electronic calculator built at the Moore School of Electrical Engineering in Philadelphia, and now delivered to the Ballistic Research Laboratory at Aberdeen.

There is at least one important new development in the laboratories, that makes these machines very practical for insurance companies, he said. This is the

development of magnetic tape for storing information. Very small magnetized spots (north - south or south - north) placed on the tape stand for units of information, yes-no, X or no X, 1 or 0.

"You can store a thousand units of information in a quarter of a square inch of magnetic tape. With this material you can read, write, remember, and erase at a speed of a thousand ten digit numbers a second. Whatever you put on the tape will stay for decades or until you change it. In this way we can expect the new machines to provide a very large memory of numbers or other information."

The cost of the mechanical brains now being designed is in the neighborhood of \$100,000 to \$125,000. This is much lower than the cost of the existing mechanical brains, which is in the neighborhood of \$250,000 to \$500,000. As designs improve, the cost continues to decline. Since each machine does the work of more than a hundred human computers, many times the cost is actually saved.

Possibilities

"Possible uses of this machinery in the life insurance business are very great. We have many sorts of calculations for individual policy transactions that have to be done at the time when the policy is presented. The machine will be able to do them very quickly and accurately.

"For example, the machine could take in the data in regard to a policy being surrendered, look up the cash value in the proper table, interpolate for the premium paid-to date, multiply by the amount of insurance, total any loans, compute the interest on each loan and total that, credit the value of any dividend accumulations and any premiums paid in advance, and type out the check to the policyholder in payment of the net value of the policy."

Premium Billing

The use of this machinery in fields where there is little calculation is likely to be even greater. For example, one problem which these machines would easily handle is premium billing. The machine will:

Store the premium history information; make changes of the insured's address; determine when the premium notice is to be prepared; subtract the dividend from the premium in cases where the net cost is to be shown; compute and add loan interest; type out the premium notice.

Mr. Berkeley believes "we are at the threshold of a new development that will reduce materially the present clerical work going on in life insurance companies. It will transform the numerical work for many actuarial calculations, and enable actuaries to do many things they now only dream of doing."

Hogan Holds Sales Meets

O. T. Hogan, president United of Chicago, has conducted eight sales conferences in the past two weeks with agents of his company in Texas and throughout the eastern territory. The company was admitted to Texas last October and Mr. Hogan has established new offices in Dallas, Fort Worth, San Antonio and Houston with an agency organization of about 100 men.

On his eastern trip he held agency sales meetings in Washington, Baltimore, Philadelphia and Richmond, assisted by his son, J. R. Hogan, vice-president of the company. Upon completion of these sales conferences they went on to Virginia Beach to attend the meeting of the Industrial Insurers Conference there.

Fluegelman Heads N. Y. State Life Underwriters Assn.

**Organization Has 4,423
Members; Expects to
Pass 6,000 by July**

David B. Fluegelman, Northwestern Mutual, New York City, was elected president of the New York State Assn. Life Underwriters at the annual meeting in Buffalo. Other officers elected were:



D. B. Fluegelman

vice-president, S. C. Collins, Metropolitan Life, Buffalo and secretary-treasurer, Kristen Kristensen, Equitable Society, Yonkers.

The regional vice-presidents are W. Merle Smith, Buffalo; F. J. Caple, Plattsburg; J. F. Meehan, Yonkers; Florence A. Dimon, Utica; F. J. McManus, Binghamton, and Samuel Godfrey, Troy.

In his report as president, E. H. Perkins, general agent Provident Mutual, Albany, stressed the association's successful fight against the increase in the savings bank life insurance limit to \$5,000 per life. The association's campaign was recognized in the legislature as being second in magnitude only to the teachers' problems and was ranked first in correctness of procedure and absence of errors. He paid particular tribute to the work of E. R. Gettings, general agent Northwestern Mutual, Albany, past president of the association, and Spencer L. McCarty, Provident Mutual, Albany, executive secretary of the association, saying the life insurance business of the entire country owes them a great debt.

Mr. Perkins said the association has 4,423 members and should pass the 6,000 mark by July 1, according to Manuel Camps, Jr., general agent John Hancock Mutual, New York City, membership chairman.

To Resume Saratoga Meetings

The association plans to resume next year the general agents' and managers' annual conferences formerly held at Saratoga Springs. Usually one problem was studied each year, though compensation was the subject for two consecutive meetings. Unfortunately it was not possible to hold the meeting this year.

The possibility of using recipients of the National association's national quality award as a nucleus for a state-wide club based upon substantial, if not spectacular volume. It is possible that the committee dealing with the club project may, if it is decided to promote a leaders' round table, draft a letter to award recipients and ask the National association to send it to them. Those who replied would be nucleus around which to build.

The state association's speakers' bureau has already demonstrated its ability to help agents, particularly in causing local associations to give more thought to a balanced program for their regular meetings and to cause more thought to be given to what members are qualified to give what kinds of talks in what areas.

Mr. Gettings, chairman of a special committee dealing with savings bank life insurance, emphasized, that while the savings banks entered the life insurance business under the screen of

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Southern Round Table Sessions Well Integrated

By E. E. HESS

VIRGINIA BEACH—"Puttin' the peas in the pod," the theme of the

Southern Round Table of the Life Insurance Advertisers Assn., was cleverly carried out by the subject assigned each speaker, by the use of a huge pea hanging on the wall in back of the speakers' table and the green, pea-shaped program. J. W. Childrey, Atlantic Life, secretary and newly elected chairman, placed an additional pea in the pod as the different speakers talked on various aspects of the program theme. The meeting was clouded by the death of Z. Starr Armstrong, Republic National who in the normal course of events would have become chairman, succeeding M. F. Browne, Occidental Life, N. C., retiring chairman.

Membership stands at an all-time high of companies and "ad" men with company membership exceeding the 150 mark. Powell Stamper, manager sales promotion National Life & Accident and president of L.A.A., declared. At the annual meeting, Continental of Canada, Confederation Life, Equitable, D.C., Empire Life & Accident, Durham Life, and Kentucky Central were admitted, he stated. All of the round tables are now on a self-supporting basis. The North Central Round Table



Powell Stamper

meeting will be held at the Edgewater Beach hotel, Chicago, May 30-31, while the annual meeting will be held in Canada for the first time. Six other research reports are due, with four definitely assigned, one to come out monthly until the meeting in October.

Life insurance is part and parcel of the desires of men, Mr. Stamper said. It satisfies the rights and freedoms which have been basic through the centuries for which men have suffered torture, martyrdom and death. It is the one instrument that rights the economic injustice of death coming too soon or too late.

The public in 1946 gave life insurance a tremendous vote of confidence. However, the fellow who says he is twice as good as he was five years ago merely because his production has doubled is on dangerous ground. Despite the fact that business as a whole was 50% ahead, this is just an average record because business was ahead by a corresponding amount.

Affected by Field Conditions

Life advertisers have so much to do with the executing of plans and methods that field men use, they are directly affected in field conditions to the same extent as field men themselves, Mr. Stamper said. The year 1948 will be a year of getting back to fundamentals. If in 1947-48 money changes hiding places, is the life advertiser ready to furnish methods to his field men with which to find it? he asked.

He raised several questions: Are agents making as many calls as it was necessary for them to make in 1937-38? Did they have as many interviews in

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Fraternal Society Field Managers Debate Problems

**Resume at French Lick
Spring Conferences
Interrupted by War**

By DALE R. SCHILLING

FRENCH LICK, IND.—Field managers of fraternal societies are on their toes these days in studying their selling problems and applying what they learn, it was apparent at the spring conference of the Fraternal Field Managers Assn. held here Monday and Tuesday. Recruiting, training and financing new agents were subjects prominently on the program. For a number of years the association has sponsored a fraternal educational course, successful completion of which earns the F.I.C. designation.

Thomas O. Hertzberg, sales manager Fidelity Life, handled the gavel as president. John E. Little, field director and actuary of Maccabees, association past president and now its secretary-treasurer, spoke on "Licensing of Agents." There have been efforts in some states to require licenses for those who sell fraternal insurance, but most societies secure considerable insurance through members on a part-time basis and heretofore legislators have recognized this situation, and the non-profit character of societies, and usually have not demanded licenses and the accompanying fees.

Tells of Retirement Plan

Old line life companies are familiar with agents' retirement plans and many have put these in effect, but until now fraternal have not felt the demand from their field workers to adopt some adequate program of the sort. An explanation of the retirement contract which has been initiated by Lutheran Brotherhood was given by N. K. Neprud, superintendent of agencies, association past president.

He said it was one of his society's best recruiting tools. A man contemplating life insurance selling as a vocation has a right, he said, to ask, "What about my future welfare in your society?" Mr. Neprud said, "He is in the business selling future security to others, so it is only natural that he is concerned about his own security program."

Lutheran Brotherhood's retirement plan is based on the agent's earnings, instead of on premium income. The society is interested in quality business and rewards its agents for persistent business. It pays renewals over only three years, but on 100% persistency the renewals are 30%, 22½% and 22½%. The basic renewal assumes 75% persistency ratio; for each 5% above that figure an additional 10% over the basic renewal rate is paid.

The retirement plan is based on deduction of 5% of the agents' earnings at the end of each month, which is applied as a premium, and at the end of each calendar year the society adds an extra 2½% of the earnings to this premium account, increased by ¼% for each year in which the agent earned \$500 or more. This ¼% additional continues until a maximum of 10% has been paid in by the society. Lutheran Brotherhood credited 94% of the total premiums to the agents' retirement fund reserve and interest is paid at the end of each year on this amount. The

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Country Merchants

Of the first 418 policies issued during the first eighteen months of the Penn Mutual back in 1847 and 1848 it is interesting to make a breakdown of the trades of those first policyowners—

58 of them were listed as general merchants; 43 of them were drygoods merchants; 20 hardware merchants, 24 country merchants; 29 manufacturers; 17 brokers and agents; 12 farmers and millers; 8 officers of corporations; 6 publishers and editors; 12 grocers; 5 clergymen; 19 clerks; 10 lawyers; 13 physicians; 5 dentists; 4 were in the United States Navy; 16 were listed as "ladies"; 5 were porters; 15 salesmen; 13 mechanics; 9 carpenters; 6 tailors; 5 hatters; 4 were listed as "other pursuits."

The fundamental idea of prospecting was just as sound then as it is today, to get a good spread of occupations from a risk viewpoint. Today there are other trades and professions which are more predominant in the picture, but there are also trades and professions today the names of which might have puzzled an insurance company 100 years ago.

1847 — Penn Mutual Centennial — 1947

• • •

THE PENN MUTUAL LIFE INSURANCE CO.

JOHN A. STEVENSON
President

INDEPENDENCE SQUARE, PHILADELPHIA

St. Louis Employee Plan Conference Speakers Announced

J. F. Brandt, vice-president and controller of Swift & Co., Chicago, and J. Donald Nevius, assistant treasurer McCormick & Co., Baltimore, will be the featured speakers from the ranks of industrial executives at the conference on employee pension and profit-sharing plans at St. Louis May 19-20, sponsored jointly by the U. S. Chamber of Commerce and the St. Louis Chamber.

Other speakers will be W. R. Williamson, president of the Wyatt Company, actuaries and employee benefits consultants, Washington, D. C., former social security board actuary; Bruce H. Johnson, attorney, Ross, McCord, Ice & Miller, Indianapolis; E. L. Colgrove, second vice-president Guaranty Trust Co., New York; Robert N. Arthur, secretary Mercantile-Commerce Bank & Trust Co., St. Louis, and Hugh A. Logan, Marsh & McLennan, St. Louis.

One afternoon will be devoted entirely to questions and answers, the first half hour of which will be broadcast over station KWK. The panel will include three St. Louis men, F. W. Huntington, president Ralston Purina Co., Peter H. Husch, attorney, Salkey & Jones, and John H. Leaver, general agent Mutual Benefit Life, and Messrs. Williamson, Johnson and Colgrove.

Chicago Assn. Slate Announced

The nominating committee of the Chicago Assn. of Life Underwriters has announced its slate of officers for the June election. They are: For president, Clarence E. Smith, Northwestern Mutual; first vice-president Robert R. Reno, Equitable Society; second vice-president, Harry R. Schultz, Mutual Life, and treasurer, Earl M. Schwemm, Great-West Life.



C. E. Smith

Those nominated for directors are: Julius Rogatz, John Hancock Mutual; William D. Davidson, Equitable Society; Sidney Kent, Prudential; Louise Scott Konsberg, Massachusetts Mutual; Victor S. Larson, Berkshire Life; Henry W. Persons, Mutual Life; Aubrey Peters, New York Life; Charles B. Tuttle, Mutual Benefit Life, and Harry G. Walter, W. A. Alexander & Co.

H. Kennedy Nickell, Connecticut General Life, immediate past president, is chairman of the nominating committee. The election results will be announced June 11 in the annual meeting. Nominations have been mailed to members, who have the right to initiate other nominations.

Name Committee to Frame Ill. Bankers Distribution Plan

Circuit Judge Minor of Chicago, following another hearing Wednesday on the Illinois Bankers Life case, appointed a committee to draw up details of a feasible plan for distributing capital shares to the 75,000 policyholders of the former assessment company. The committee consists of Vernon Loucks, attorney for the successful petitioners; E. R. Johnston, counsel for the company; Paul F. Jones, former Illinois insurance director, who is now one of the trustees; Warner Schroeder, attorney, and Raymond Smith, vice-president Alfred M. Best Co. A report is expected

within three weeks.

The principal discussion at this hearing was on how to estimate and meet the expense of distribution. The committee is expected to consult with Director Parkinson and secure his approval as to how much reduction in surplus will be countenanced by the Illinois department. The question of whether the stock shall be distributed in kind or whether it should be sold and the proceeds distributed is still open and also questions of what evidence the court will require of lapsed policyholders and their heirs. Judge Minor emphasized that he will not approve any

plan which is not 100% acceptable to the insurance department or which will impair the operations of the company in any way.

Allow Agents Group Cover

Governor Warren of California has signed a bill which provides for the extension of group life insurance to include agents of the insurer, as well as employees. It was sponsored by California life companies.

Opens San Bernardino Office

Manager Walter S. Payne of ordinary

"A" agency of Prudential at Los Angeles has opened a district office at San Bernardino with Lawrence J. Sweeney as district manager and a force of five full-time agents.

Panel Discussion at Dallas

A panel discussion on "School of Insurance Marketing—An Aid to Recruiting," was conducted by the Life Managers Club of Dallas Tuesday. Participating were Barney Shields, Great National Life, chairman; John L. Evans, Southland Life; William B. Orman, Kansas City Life, and James D. Edgecomb, John Hancock Mutual.



Building Men

FOR

Successful Selling

Successful Selling is an art. It is a combination of knowledge, skills, habits and attitude. It cannot be learned by reading books—though reading and study are a part of it. Perhaps its most important ingredient is **SKILLS**—the skill of prospecting, the skill of approach, the skill of making an effective presentation, the skill of meeting objections and excuses, and of closing sales, and servicing policyholders.

Habits—good ones—of work planning and carrying out those plans, are as important to successful selling as good habits of eating, sleeping and exercise are to healthful living.

Knowledge, plus skill, plus good sales habits builds attitude. Our training plans organize these four important elements, and weave them together in a pattern which builds men.

6 STEPS OF TRAINING

- ★ BASIC
- ★ PRIMARY
- ★ INTERMEDIATE
- ★ PROGRAMMING
- ★ TAX AND BUSINESS
- ★ C. L. U.



HERE'S WHAT OUR MEN SAY ABOUT OSICO TRAINING

"The value of the Training Course of the Ohio State Life if measured in the realm of dollars and cents only, would be tremendous, but to measure its value only in this way would be but scratching the surface."

Another: "No life insurance man who intends to serve the public in the full sense of the word can afford to ignore the personal sacrifice that proper training demands. I am proud to represent a company that recognizes this fact and acts accordingly."

THE OHIO STATE LIFE

Insurance Company



COLUMBUS, OHIO

CLARIS ADAMS, PRESIDENT • FRANK L. BARNES, VICE PRESIDENT AND DIRECTOR OF AGENCIES

Pacific Actuaries' Program Stresses Guertin Legislation

An entire day of the two-day program, June 12-13, of the Actuarial Club of the Pacific States, will be devoted to various problems encountered in adapting company procedure to the Guertin legislation, with expenses, company statements, new laws and regulations are being taken up on the second day.

Scheduled for discussion under the general heading of Guertin legislation are: What practical problems have arisen in the preparation of policy forms to comply with the new legislation? What general policy revisions unrelated to the new laws are being made? What problems arise in connection with the issuance of term riders to the attached to policies after Jan. 1, 1948? What difficulties are being encountered in the preparation of juvenile plans? What considerations for revision in commission scales are prompted by the new premium rate structures? Considerations entering into the development of non-participating premiums. What procedures are being followed in promulgating

substandard premiums? Are published tables for disability and double indemnity adequate for use under the new laws? What tables, mechanical aids and procedures have been developed to facilitate the preparation of a new rate-book? What plans are being made for indoctrinating the field force and explaining to the public the general implications of the new rate structures?

Expenses and Statements

In connection with expenses, the actuaries will discuss the effects of increasing expense rate, and steps that are being taken to control and offset these increasing expenses. As to company statements, there will be a discussion of practices followed in the preparation of interim statements during the year and revisions that should be made in the proposed new life annual statement form.

There will also be a discussion of the experience and problems encountered under the California cash sickness benefit law problems being encountered in revision individual accident and health policy forms to conform to the latest edition of the "Official Guide," recent insurance legislation in the western states, a report of meetings of the Actuarial Society of America and the American Institute of Actuaries, and company reports on mortality, interest, expense, production and persistency.

D. of C. Life Legislation Endorsed at Hearing

WASHINGTON—District of Columbia officials and insurance men joined in recommending to the House D. C. insurance subcommittee headed by Rep. Simpson, Illinois, several life insurance measures, including the Guertin bill; H. R. 1633, to provide that if a beneficiary predeceases the insured the proceeds of a life policy shall go to the administrator of the insured's estate, and H. R. 1632, to permit domestic life companies to invest in real estate. By agreement, this latter was to be amended so as to limit such investments to 5% of a company's admitted assets at any time.

All Three Bills Approved

Superintendent Jordan and Lloyd Harrison, assistant D. C. corporation counsel, endorsed all three bills, as did Howard W. Kacy, vice-president Acacia Mutual. F. G. Addison, Jr., chairman law and legislative committee D. C. Bankers Assn., said its members unanimously approve 1633. They are interested where named as trustees, he said, and because depositors' ability to use policies as collateral on loans was upset by the appellate court here in the Kindeberger case.

L. K. Crippen, actuarial vice-president of Acacia Mutual, endorsed the Guertin bill as in the interest of the District, the companies and their policyholders.

Mediate Agents' Dispute with Peoples Life

WASHINGTON—The U. S. conciliation service, Department of Labor, is endeavoring to settle a labor dispute between Peoples Life and the American Federation of Labor industrial and ordinary insurance agents council, claiming to represent the company's agents. Peoples Life has about 1,000 agents. About 350 are in districts said to be certified by NLRB for collective bargaining. The company learned only last week-end a strike is scheduled for May 19, unless conciliation efforts are successful.

Agents in two districts uncertified by NLRB are on strike, and 16 have been replaced at Tappahannock, Va.

The union has demanded recognition of superintendents, supervisors or assistant managers as units to be bargained for by the agents' council; recognition of the right of individual towns to hold bargaining elections, and wage increases said to average nearly \$150 a year.

Slight Improvement in Airline Pilot Fatality Rate

NEW YORK—James E. Hoskins of Travelers, chairman of the aviation committee of the Actuarial Society of America, at its meeting here, said that the best available estimate of America, at its meeting here, estimate of the fatality rate of pilots employed full time in scheduled flying was about four per 1,000 years of exposure, in the four years ended with 1946. This was a slight improvement over the two preceding four year periods, those ended in 1943 and 1944.

The big volume of uncertificated airline flying that has sprung up in the last year or two escaped the strict airline regulation because of not operating on a schedule, though in routes flown, equipment, etc., they are often similar to the scheduled airlines.

Difficult to Get Information

It has been difficult to get information on their accident experience, but reports required by the Civil Aeronautics Administration for a sample period in 1946 showed, on rough estimate, that with not more than 6% of the passenger mileage, these lines were responsible for 50% as many deaths as the scheduled airlines, Mr. Hoskins said. These lines have been put under stricter regulation, and their experience should improve.

Foreign flying experience in 1946, he said, showed that U. S. flag lines had a passenger fatality rate about equal to that of the principal international routes of other countries, and about three times that of domestic lines. However, the domestic rate was unusually good for the year, and one year's experience is not enough for judgment. Figures for transoceanic flying were not available for the war years, he said.

Would Give Employer Voice in Unions' Welfare Funds

WASHINGTON — Employers' contributions to union welfare funds would be prohibited under a Senate-adopted amendment to its labor regulatory bill unless employers have a voice equal to that of employees in administering the funds. This amendment, adopted 48 to 90, is expected to go to a joint conference committee of the two houses, with other Senate amendments, for adjustment of differences. However, the House has passed a more drastic amendment against contributions to funds in administration of which a union has any voice whatever.

The anti-welfare fund amendment provides that union funds jointly administered may be used only for paying for medical care, hospitalization, retirement pensions, death benefits, compensation for occupational disability, insurance to provide any of the foregoing. Life, disability, sickness and accident insurance. Benefits would be limited to employees, families and dependents. Detailed provisions of the plan would have to be covered by a written contract between employer and union.

Correction on Hancock

In reporting the address of President Paul F. Clark of John Hancock Mutual in Chicago some weeks ago when he spoke to the agency force some mistakes were made in THE NATIONAL UNDERWRITER. John Hancock Mutual is still on a 3% basis and it will not go on a 2½% basis until the new rate program change has become effective and then only, of course, for new business.

Mr. Clark referred to its 3½% business and said:

"As of December 31, 1946 the sum of \$45 million has been set aside as a major step in a program of revaluation of certain classes of ordinary and industrial insurance policies under which the reserves are now based upon an interest rate of 3½%. Such sum is in-

cluded among the assigned liabilities as a reserve for ultimate changes in policy valuation standards. This reserve has been established coincident with the discontinuance of the unassigned contingency reserve of \$30 million set up in 1945."

A mistake was made in giving the John Hancock average interest yield on investments. The average net interest earned on the total mean invested funds after deducting investment expense was at the rate of 2.96% as compared with 3% in 1945.

Okl. Election May 28

President Homer Jamison of the Oklahoma Assn. of Life Underwriters has called a conference of state officials, including officers and delegates of local associations, for May 28 at Oklahoma City to elect officers and discuss current problems.

A luncheon meeting of the Oklahoma City association is scheduled for the same day, to which those attending the state meeting have been invited. The luncheon speaker will be Grant L. Hill, vice-president and agency director of Northwestern Mutual Life.

Walker to Mutual Life

Robert J. Walker, formerly with Mutual Benefit Life, has joined Mutual Life as supervisor of field service. His duties will include creation and production of sales aids and supervision of field publications. He has been in insurance since 1934 except for three years in the navy. He succeeds Fels Hecht, who is returning to the field.

Regulatory Act in Okla.

An accident and health regulatory bill, based on the measure drafted by the Health & Accident Underwriters Conference, was passed in the final days of the Oklahoma legislature.

**We do all right
in our own home state;
but we're always
looking for good men,
full or part time,
anywhere.**

**We've a lot of
fertile, un-fenced-in
territory in Ohio,
Minnesota, Iowa and
North Dakota.**

**If wide-open spaces
attract you, write**

Guardian Life
Insurance Company

Madison 1, Wisconsin



DURING THE PAST FEW WEEKS, I HAVE HAD THE PLEASURE OF ATTENDING SEVERAL STATE LEADER'S CLUB MEETINGS — WITH SEVERAL MORE IN PROSPECT FOR THE IMMEDIATE FUTURE.

THE IDEA IS A GRAND ONE FOR THE BUSINESS. It gives thousands of good agents a tremendous incentive to meet the requirements for club membership, brings them honor among their associates in the business, a type of incentive somewhat different from that created by company production clubs.

THE AGENT RATED as a good producer knows that the failure to make the leader's club tells the world in letters a mile-high that he is not quite the producer others thought—and the reverse is also true. To be well thought of by your close associates is, of course, a powerful motivating influence.

ORGANIZATIONS OF THIS KIND INCLUDING THE MILLION DOLLAR ROUND TABLE DO MUCH TO LIFT THE LEVEL — AND SO THEY SHOULD HAVE THE CORDIAL SUPPORT OF MANAGEMENT.

PAUL SPEICHER
Managing Editor

**THE INSURANCE
RESEARCH & REVIEW SERVICE
INDIANAPOLIS**

Lloyd Feder Heads Ohio Association

Lloyd H. Feder, Reliance Life, Cleveland, was elected president of the Ohio Assn. of Life Underwriters at its annual meeting at Columbus. Vice-presidents are W. T. Craig, Cincinnati; C. E. Spencer, Toledo; F. P. White, East Liverpool; Robert K. Zimmer, Columbus, and William H. Goodwin, Marion. Homer Trantham is secretary-treasurer and Paul M. Smith, Columbus, is national committeeman. Cleveland was selected for the convention next year. The convention followed a one-day sales congress put on by the Columbus Assn.



Lloyd H. Feder

Harry S. Stout, John Hancock, Dayton, retiring president, announced that during his two-year term the association had gained 40% in membership, bringing the total to more than 3,200. Four new associations were organized and others are now being formed at New Philadelphia, Fostoria, Tiffin and Zanesville.

Show "Harmony" Prevails

As an innovation, to show that harmony prevails among the life men of Ohio, President Stout at the closing luncheon called Judd C. Benson and L. B. Perin of Cincinnati and D. Miley Phipps and George H. Plante of Cleveland to the platform and with the aid of President Stout they sang several selections. The new president was presented a gavel in the form of a beer glass, which he will be expected to use to maintain order during his administration.

At the luncheon which closed the two-day meeting Horace R. Smith of Purdue University, discussed "Security for Millions." He told of the possible markets for life insurance and advocated research and investigation.

Legislative matters were discussed at the meeting and several changes were made in the association's code.

B. F. Hadley, sales congress chairman, presided at the morning session and Emmett W. Millholland, president of the Columbus association, at the luncheon.

Wadsworth on Prospecting

William L. Wadsworth, New England Mutual, Buffalo, said prospecting is a difficult job but he hopes it always will be difficult, because the day that prospecting becomes easy life men will receive less compensation for their services and life insurance will be sold over the counter. He said they can afford to spend 50% of their time in prospecting or "preliminary selling." Prospecting, he declared, is just as important a part of the selling technique as is the actual presentation of an idea or plan to a prospect. Without a prospecting plan, the life salesman is operating under a guess-work procedure, a guess-work that does not pay dividends.

"If a man does not know where he is going tomorrow," Mr. Wadsworth declared, "he can only guess when tomorrow comes."

George W. Stewart, Penn Mutual, Pittsburgh, said success in life insurance is almost impossible "unless you are willing to work hard and unless you are enthusiastic about your work." He said real success cannot be obtained on a 40-hour week. The agent must get information and then "prescribe" a policy that will meet his prospect's needs; he must program his client's needs; he should sell business insurance; he must not overlook the clients' wives and children.

Dix Teachenor, Kansas City Life,

Buyer Tells How to Reduce Paper Work

NEW YORK—Insurance people as well as buyers attending the insurance conference of the American Management Assn. here were interested in the discussion of reducing paper work in the insurance department which was given by P. H. Littlefield, treasurer of Canada Dry Ginger Ale, Inc., New York.

Mr. Littlefield pointed out that his company operates 15 division offices in the United States similar to subsidiaries in that all of the accounting and book-keeping is carried on at those points. There are some 3,500 people on the payroll. All forms of insurance are involved. Insurance policy and practice is determined by the home office.

One example of decentralization relates to group insurance. "Our group insurance policy is dated 1925 and we have life insurance, disability, hospitalization for employees and for their dependents," he said. "Although the claim work has always been handled in the field, new applications, changes, additions and so forth were handled by the home office of the company. Effective April 1, all of the contacts with the insurance company are handled directly by the 15 field divisions. The only time that the home office is involved is in the reconciliation of quarterly statements which cover company participation in the premium and the loss experience allowances. Whereas the extra handling of paper work used to keep one or two people busy in the home office all the time, the duplication of work between the home office and the divisions, has now been eliminated.

As the result of those changes, the personnel of the department has been reduced from five individuals to one.

Aetna Contributes \$80,000 to New Hartford Hospital

HARTFORD—Aetna Life group has subscribed an additional \$80,000 to the building fund for the new Hartford Hospital. In the original campaign for \$5 million, the Aetna companies contributed \$130,000. The current drive is attempting to raise a supplementary \$3 million.

Both the original subscription and the latest were based on a formula for determining the hospital's actual capital investment in facilities needed for the care of the companies' home office employees and families.

Kansas City, discussed "Time Control and Work Methods." He recommended six interviews a day, especially for the younger agents. The older agents, he said, may not be able to make six interviews a day because they spend more time on larger cases and give more time to service work. He said the matter of service can be overdone. The greater the number of interviews, he believes, the larger will be the volume of business.

Morning solicitations are the most profitable, he asserted, and if the agent's prospects are properly listed he will start the day with greater confidence.

Rudolf Leitman, New York Life, Detroit, the luncheon speaker, who is a million dollar producer, said his aim was to debunk the million dollar man. He declared there is no magic in writing \$1 million and that all that is needed was hard work. He said the curiosity of the prospect should be aroused at once; that no one should try to sell policies but rather ideas as to what the policies in time will produce. The mention of taxes, he said, always wins the prompt attention of the prospect, as all men are interested in ways to eliminate or reduce taxes. "Keep your prospects young," he advised, "and arrange your calls geographically so that no time may be wasted in going from one to another."

More than 400 attended the meeting.

"PACIFIC MUTUAL? It's one of the best!"



"There's a company with alert, progressive management personnel. I've been watching the fine job they're doing in equipping the field with complete, flexible coverages against contingencies that deplete a man's income. They're certainly providing the right merchandise for underwriters—and they keep it up to date. They're alert to changing public needs, and right 'up front' when it comes to liberalizing underwriting to meet new conditions.

"They're doing a grand job, too, in training field men—and keeping them trained, through advanced courses and seminars. As a result, Pacific Mutual underwriters give constructive service to policyholders, and at the same time earn substantial incomes—way above average.

"This alert, field-minded type of management is reflected in 1946 figures that show big increases in every department

of Pacific Mutual service—new business, insurance in force, premium income, and, most important, number of substantially successful field men.

"That's why, when you ask me about Pacific Mutual, I say it's one of the best!"

PACIFIC MUTUAL LIFE INSURANCE COMPANY

HOME OFFICE: LOS ANGELES, CALIFORNIA

Coverage that's Complete
LIFE INSURANCE
ACCIDENT & HEALTH
GROUP & EMPLOYEE
ANNUITIES - JUVENILE
The New and Unusual Savings Plan

Propose Four-Year Term in Michigan

LANSING.—A long-anticipated bill to provide a specific four-year term for the insurance commissioner has been introduced in the Michigan legislature. The Michigan Assn. of Insurance Agents and other groups in the state have been advocating this for some time. The bill was introduced by Sen. Hamilton, Battle Creek agent and senate insurance committee chairman, with Sens. Greene and Milliken as co-sponsors. It was referred to the insurance committee and is regarded as certain to receive an early and favorable report.

Commissioner Forbes already has served slightly more than four years and his record is cited as an argument for reasonably long tenure. He was first appointed by Gov. Kelly, the first governor to serve two consecutive terms for many years, and reappointed by Gov. Sigler, so he will probably serve six years. He now is Zone 4 chairman and holds important committee assignments in the National Assn. of Insurance Commissioners, whereas most of the previous Michigan commissioners had

scarcely become acquainted with their fellow supervisors before they were displaced by a change of state administration.

A. P. Morton Appointed Asst. Actuary of Prudential

A. P. Morton, who since 1926 has been with Manufacturers Life, has been elected assistant actuary of Prudential. He will be in the ordinary underwriting department. Mr. Morton joined Manufacturers Life as an actuarial student immediately after his graduation from Acadia University in 1926 and has always been in underwriting and actuarial work. He was named assistant actuary in 1945. He has been active in the affairs of the Home Office Life Underwriters Assn. and is now a vice-president. He has served on several committees of the Actuaries Assn. of Canada, is an associate in the British Institute of Actuaries and a fellow of the Actuarial Society of America.

Paul T. Tobey, associate general agent of Penn Mutual Life at Wausau, Wis., has been elected district governor of the 143rd district of Rotary International.

Push Expansion of Ohio Department

COLUMBUS.—Increased pay, change in title to commissioner and a four-year term for the Ohio insurance superintendent will be pushed in a proposed reorganization of the state insurance department, it was agreed at a conference of state officials here. Reorganization was part of Gov. Herbert's campaign last fall and pending bills in the house and senate will be amended following this conference.

Under the proposed changes, the commissioner will be appointed by the governor with the approval of the senate for a four term beginning Mar. 1. The present term is two years. The director of commerce, under whose jurisdiction insurance will remain, will serve during any vacancy and the commissioner will appoint an assistant to handle fraternal insurance matters. The commissioner's salary will be raised from \$5,000 annually to \$7,500 in a general bill increasing state salaries.

Pacific National Holds Convention at Sun Valley

Pacific National Life held its annual convention at Sun Valley, Ida. The opening session featured an address of welcome by President Ray H. Peterson, followed by Actuary Leroy W. Messinger on "The Guertin Law and How It Affects Panlaco." A general discussion followed. The luncheon that day was under the direction of the Idaho agencies, with General Agent C. Gale Baker, Boise, in charge. Edward McMonigle, Idaho insurance director, spoke.

Group Sessions Held

Other morning meetings were divided into two group sessions, the Agents Club and a general agents' session, with M. J. Peterson, Provo, president of the Panlaco Agents Assn., and Kenneth W. Cring, superintendent of agencies, presiding.

The convention was brought to a close with a dinner dance, at which Wayne E. Hibbard, Portland, Oregon, manager was toastmaster. President Peterson spoke on "Our Company."

Doyle F. Child, Afton, unit manager for Wyoming, was elected president of the agents association and Ralph W. Evans, Butte, Montana state agent, was elected president of the General Agents Premier Million Dollar Club.

Quarter Century Dinner

MILWAUKEE.—Fourteen new members of the Northwestern Mutual Quarter Century Club were presented 25-year service pins by President Edmund Fitzgerald at the club's annual dinner. It now has 205 active members with 25 or more years of service who are still employed, and 64 associate members who qualified before being retired. The aggregate service of all members is 9,531 years. The oldest active member is Joseph E. Birkhauser, company treasurer, with 53 years of service. Edwin A. Busack is president, William R. Nethercut, Jr., vice-president; Margaret Young, secretary, and Albert Klein, treasurer.

Speaker at the dinner was Marue Carroll, Northwestern Mutual general agent at Oshkosh, Wis., who started in the home office as an office boy in 1900, spent some time in the Chicago general agency and since 1912 has been in Oshkosh, where he became general agent in 1926.

OK Group for Athletes

A bill permitting school athletes in New Jersey to enjoy the benefits of group insurance has been passed by the legislature.

The law permits school boards to place such insurance and covers 150 schools where no previous protection has been offered. Less than 100 schools

heretofore have provided group insurance through the individual efforts of the athletic associations, which arranged policies on their own initiative. Under the newly enacted law the premiums may be paid in full by the boards of education from game receipts or the students may share the cost.

Witters Is Kansas City Speaker

Clarence C. Witters, claims manager at Kansas City for Continental Casualty, was speaker at the May meeting of the Kansas City Assn. of A. & H. Underwriters. His subject was "Claims Can Build Prestige for Our Business."

The members decided to hold the annual field day June 6.

Bottens Heads C.L.U. Slate

The New York City C.L.U. chapter will vote on the following slate of officers at the annual meeting June 10: President, L. E. Bottens, Teachers; executive vice-president, G. H. Young, State Mutual; public relations vice-president, H. A. Loewenheim, Home of N. Y.; educational vice-president, Solomon Huber, Home of N. Y.; secretary, P. A. Quarto, John Hancock; treasurer, V. J. Johntry, Guardian.

Regionals for Minn. Mutual

More than 400 men will attend five regional meetings to be held by Minnesota Mutual in May, at which there will be three new pretested selling kits and a review of present selling trends. Meetings will be at Monterey, Mexico, May 11-14; Roanoke, Va., May 14-17; Highland Park, Ill., May 18-21; Custer, S. D., May 21-24; Boyes Springs, Cal., May 26-29.

The Special Libraries Assn. will hold its annual convention at the Hotel Drake, Chicago, June 10-13. Nearly 1,000 librarians are expected.

Ground-Breakers



First shovelful of earth to be turned for Prudential's new \$7 million building to be constructed to house its western home office at Los Angeles is spaded by Carrol M. Shanks, president of Prudential, and Fletcher Bowron, mayor of Los Angeles. Upon completion of the building, Prudential will move its entire western operations to Los Angeles.

Mayor Bowron presided at the exercises and Vice-president Harry Volk, who will have charge of the Pacific Coast home office activities when the building is completed, and Valentine Howell, vice-president and actuary, also were among the honor guests. The building is being constructed on a two-block frontage of Los Angeles' famous Wilshire boulevard.

FIDELITY

THE COMPANY BACK OF THE CONTRACT



STRIKE A BALANCE

BATTING, fielding, pitching and a host of other qualities must be combined in correct proportion to make a well-balanced championship ball club.

Teamwork and strength in all departments will always produce better results than over-strength in a few categories. Diversification of contracts, prestige-assuring size, uniform steady growth are just a few of the qualities that must be combined to make a well-balanced life insurance institution.

Fidelity is a well-balanced company.

The
**FIDELITY MUTUAL
LIFE INSURANCE COMPANY**

THE PARKWAY AT FAIRMOUNT AVENUE
PHILADELPHIA • PENNSYLVANIA



Group Coverages at Level Premium

Actuary Outlines Attractions and Experience of Such Plans

In the paper on "Group Insurance on Level Premium Plans" Dennis A. Warters, executive vice-president of Bankers Life of Iowa, discussed before the Actuarial Society of America at its convention in New York, the principles involved in preparing and offering such contracts, the selection of cases where such contracts will operate in a manner satisfactory to both insurance company and employer, and the determination of appropriate premium rates and values.

Development of group insurance on level premium plans was the natural outcome of popular appreciation of the varied benefits offered by individual policies customarily issued on level premium plans, and Mr. Warters laid particular stress on the desire of employees to build up values under group insurance which would be available to them on loss of employment, coupled with the desire of many employers to pay up during the employee's active service all or part of his group insurance.

Most Popular Plans

While such group insurance is offered on several level premium plans, he said, most popular are whole life, whole life paid-up at age 65 and, for pension purposes, income endowment plans. Each such charge is calculated by summing level premium charges for each amount of insurance involved. Each such charge is based on the employee's age on the date on which that amount of insurance becomes effective, and reserves accumulated are comparable to those under individual policies.

The contracts offer group underwriting administration on the group principle. The contracts customarily provide that, when employment ceases, the employee is entitled to a reduced amount of paid-up insurance, plus a conversion privilege designed to permit continuation of the difference between the amount of group insurance in force at date of termination of employment and the amount of reduced paid-up insurance. Paid up insurance is generally without cash value in so far as it arises from money contributed by the employer as premiums, since cash payments would defeat the purpose of group insurance.

Close Cooperation Needed

Mr. Warters pointed out that a group permanent contract requires close cooperation between the employer and the company during its entire lifetime. Furthermore, it involves payment of relatively large sums in premiums and, consequently, great care should be taken to select properly the situations in which it can operate successfully, both from the standpoint of the employer and the insurance company.

In enumerating the essential characteristics of a group to which group permanent insurance is best fitted, Mr. Warters mentioned the following points: The average employment should be of long standing duration and the rate of labor turnover low, thus reducing the number of small termination equities to be handled; the earnings of the business should be steady; the premium obligations should not represent too large a proportion of the employers' available net income; the business should be well established, and the number of persons to be covered and the amounts involved must be adequate to justify the expenses to be incurred in preparing the contract.

Mortality under these contracts will probably differ from the experience under either group term contracts or individual policies because of the differences in the provisions of the contracts,

he stated. It is expected to follow approximately the experience on so-called nonhazardous groups insured under group term policies. In concluding, Mr. Warters stressed the need for conservative assumptions in calculating premiums and values and paying special attention to the factor of annuitants' mortality involved in determining premiums for income endowment contracts.

New Okla. Tax Law Signed

OKLAHOMA CITY—The governor signed a bill passed by the legislature to clear the fog surrounding the 4% premium tax. The new law establishes the closing of each calendar year as due date for payment of the tax, and provides that taxes already collected by the insurance department for the 1947 license year may be applied on any outstanding unpaid taxes.

Collections for the 1947 levy are already \$700,000 in excess of the total of the amount needed to retire the 1944 unpaid obligation created by the 1945 legislature when it made the premium tax payable at the beginning of each year instead of at the end of the year.

N. E. Mutual 15th Seminar

The 15th seminar of New England Mutual's post-war educational program will open May 19 at the home office under the direction of Homer C. Chaney, director of agencies. Attendance is limited to 25 new agents who have satisfied all requirements for this 10-day training course. Twenty of the company's 71 general agencies will be represented.

Twin City Joint Meeting

A joint meeting of St. Paul and Minneapolis general agents and managers was held at Minneapolis. During the afternoon there was a round table discussion on "Agency Problems and Their Answers." This was followed by a cocktail hour sponsored by North American Life & Casualty and a dinner at which Osborne Bethea, Penn Mutual, New York City, spoke.

Moore Talks at Lansing

Russell H. Moore, recently appointed regional manager for western Michigan of the Raleigh Stotz agency of Mutual Benefit Life at Grand Rapids, told the Lansing Life Managers & General Agents Assn. of methods of training and retraining recently inaugurated by the Stotz agency which helped it to lead all agencies of the Mutual Benefit in production the first quarter of 1947.

To Vote on Union

WASHINGTON — An election has been directed by the national labor relations board to be held among licensed agents at Baltimore Life's Philadelphia district office to determine whether they desire to be represented by the C. I. O.

or the A. F. L. for collective bargaining, or by neither. Excluded from those to vote are staff superintendents, managers and supervisory employees. The board said the A. F. L. organization has been bargaining agent of the Philadelphia agents since 1938 and it does not find that, as alleged by the C. I. O. the A. F. L. is defunct at the Philadelphia office. It was therefore decided to include both unions as contestants in the election.

Roy L. Davis to Speak

Roy L. Davis, western manager of the Assn. of Casualty & Surety Executives, will speak before the insurance membership group of the Union League Club of that city May 23. He will point out the insurance legislative trends of the year. During the legislative season, Mr. Davis is constantly in touch with legislators in the various states. He watches not only legislation affecting casualty and surety interests, but fire and life insurance as well. He will give particular attention to the legislative situation in Illinois.

Bossert to Speak in N. Y.

Henry J. Bossert, Jr., assistant manager of agencies of Provident Life, will discuss agency costs and expenses in a talk before the Life Managers of Greater New York at a luncheon meeting at the Hotel Pennsylvania May 27.

McEuen Joins Staff of Conn. Course

Bruce McEuen, educational director State Reserve Life of Fort Worth, has been named assistant director of the life marketing course at the University of Connecticut. Mr. McEuen will join the staff in time for the opening class at New London June 9. Enrollments for the Connecticut school are being accepted now.

A graduate of the University of Kentucky in 1941, Mr. McEuen served in the army from 1941 until 1946 in training and supervision positions. He was director of the officers candidate school for the quartermaster department.

He joined the State Reserve Life as educational director in February.

Daniel P. Cahill, Mr. McPherson's assistant at T.C.U., will also join the Connecticut staff.

The annual meeting of the Bureau of Personal Accident & Health Underwriters will be held at Lake Morey Inn, Fairlee, Vt., Sept. 8-10.

Features of the meeting in addition to the important business sessions will be the underwriting forum and several prominent speakers. Leland M. Willson of Century Indemnity is chairman for the meeting.



ENOUGH?

You say you have "enough life insurance," Mr. Prospect? Let me ask you this: would you ever say that you have "enough" in your bank account? For that is exactly what a life insurance plan is—a means of saving—but with a subtle difference:

When a man sets out to save in a conventional manner, he determines to put aside a certain amount at certain frequencies, and eventually to accumulate a predetermined sum at the end of a given length of time. And when half that time has elapsed he will have saved half the sum which is his goal, if he has been faithful to his plan. But if death overtakes him at that point, his plan can go no further than he has brought it.

If, however, the same savings plan was cast in the form of life insurance, the goal was within reach *the day it was begun*. This is the difference between life insurance and other savings plans—the difference between assured success and probable failure along the way.

Insurance In Force April 30, 1947 — \$320,187,304

COMMONWEALTH

LIFE INSURANCE COMPANY

LOUISVILLE • MORTON BOYD, President

RECORDS

MANHATTAN LIFE—Exceeded president's month quota of \$6 million with April examined business of \$6,442,094 on 1,066 applications. Clarence Spencer, general agent in Trenton, led in volume and number of applications.

EQUITABLE OF IA—April business \$10,527,892. Paid business for year to date is \$39,776,700. Life insurance in force increased to \$362,025,289, an increase of \$84,986,306 over a year ago.

FRANKLIN LIFE—Sales for the first four months were \$48,223,000. Assets expanded to \$97 million, and insurance in force passed \$470 million.

CAPITOL LIFE—Gain of 18.86% in paid for ordinary. Insurance in force as of May 1 was \$109,348,607.

NATIONAL LIFE, VT.—April production resulted in another "plus" month, bringing the total of consecutive "plus" months to 50. New production amounted to \$11,567,654, an increase of 22.29%. The total production for the year to date is \$43,139,896, as compared with \$33,914,783 in the corresponding period last year.

Pa. Housing Bills Signed After Legislative Fight

Legislation permitting Pennsylvania life companies to invest up to 10% of their admitted assets in commercial, industrial or residential housing projects has been signed by Governor Duff.

The governor also signed a companion measure authorizing out-of-state companies to enter into agreements with Pennsylvania companies to "participate in ownership, management and control of real estate" held by the domestic companies.

Sponsored by Sen. George N. Wade, Ohio National general agent at Harrisburg, the housing legislation overrode considerable opposition in both houses before final passage.

Governor Duff approved the bills, which are effective immediately as new laws, without comment.

Jefferson Standard Passes \$700 Million Mark in Force

Jefferson Standard has passed the \$700 million mark. Only 14 months were required to make the last \$100,000,000 gain, whereas the preceding \$100,000,000 gain was made in 26½ months.

Rader V.-P. of Spencer & Associates

John H. Rader has been named vice-president of Charles D. Spencer & Associates. He will have his headquarters at 166 West Jackson boulevard, Chicago.

Mr. Rader was formerly manager of field service for Ohio National Life. Before that he was unit manager with the Northwestern National Life in Cincinnati, following some 20 years as statistical editor of THE NATIONAL UNDERWRITER Co.

Kansas Assn. Holds First Two-Day Meet

The Kansas Assn. of Life Underwriters is holding its first two-day annual meeting and sales congress this week at Topeka, with the Topeka association as host. In addition to the business meeting on the opening day, the program this year includes a session of the new leaders round table, whose membership is open to quarter-million producers, and a C. L. U. breakfast. General agents and managers were guests of the Topeka companies at a social hour starting at 5:45 p.m. followed by a dinner meeting with P. C. Kaul, general agent Connecticut Mutual, Omaha, as speaker.

The sales congress will take up all of Friday. First Vice-president L. R. Smith, who is field assistant of Equitable Society, Topeka, will preside. Speakers will be Mrs. Minna Hensley, Franklin Life, Salina, C. S. Bray, district manager Victory Life, Topeka, C. D. Maier, Wichita, and Glen Drake of the Glen Drake school, Chicago. The luncheon speaker is L. E. Throgmorton, Shreveport, general agent of Aetna Life, who will talk on "Laughter Makes the Load Lighter." Closing the program is A. R. Jaqua, Southern Methodist University.

Philadelphia Life Va. Rally

The Philadelphia Life held another of a series of meetings at Richmond, Va., May 15, with an attendance of 35 Virginia general agents and agents.

Agency and company problems were discussed in open forum followed by a formal reception and dinner in honor of President William Elliott.

Speaker was Commissioner of Revenue E. Glenn Jordan of Virginia. Bert Balch, superintendent of agencies, also was on hand.

Old Line Rally June 26-28

Old Line Life of Milwaukee will hold its annual agents' convention at the Edgewater Beach hotel, Chicago, June 26-28. Leading producers who qualify for the Star Leader Club will be honored at a banquet the first evening. With a larger number of agents qualifying, this year's convention will be one of the largest ever held.

Central Life's Coast School

E. H. Mulock, president of Central Life of Des Moines, has left for the west coast to attend a training school at Wenatchee, Wash. for 16 new and veteran agents. The school will be conducted by Francis L. Merritt, vice-president and director of agents.

Others who will take part will be W. H. Fones, home office supervisor, and R. V. Cummins, western supervisor in charge of Washington and Oregon.

Speed Texas City Payments

MILWAUKEE—Prompt payment of all claims involving members of credit unions who were victims of the Texas City disaster was authorized by Cuna Mutual directors. It is an affiliate of the Credit Union National Assn. There are four credit unions in Texas City, including one at the devastated Monsanto Chemical plant. Because of the magnitude of the disaster, local management at Texas City will have full authority to make all payments for the insurer.

Oklahoma Bills Passed

The Oklahoma legislature passed a bill permitting a guardian in charge of an estate for minors in the state to invest funds in single premium life endowment insurance and in annuities.

A measure also was passed clarifying the inheritance tax law and providing that insurance companies shall report to the state tax commission all death claims in excess of \$2,500.

Occidental Group Parley Scheduled for Chicago

A three-day regional conference of about 25 salaried representatives of the group department of Occidental Life in the east and middle west will be held at the Edgewater Beach Hotel, Chicago, May 18-21. Home office executives who will take part in the conference include Vice-president George V. Shipley, P. M. Anderson, assistant vice-president in charge of the group department; Lee J. Dougherty, chairman of the advisory council; Raymond H. Belknap, director of agencies; H. R. A. McCorkle, assistant actuary; J. A. O'Connor, assistant controller; E. S. Jensen, group superintendent; Don L. Hartman, assistant group superintendent, and E. H. Cameron, home office representative.

A similar meeting for the western states will be held at Los Angeles June 22-25.

Has Full Charge of Field

W. J. Williams, field vice-president of Western & Southern Life, has been elected vice-president in charge of the field and henceforth will be responsible for all field activities. Mr. Williams joined the company following his graduation from Georgetown University and served in the air corps during the war.

Five Travelers Field Changes

Five changes and appointments have been made by Travelers.

Robert G. Hamilton, assistant manager at Ottawa has been appointed manager there. Charles T. Janney, assistant supervisor at San Francisco, has been transferred to Oakland in the same capacity.

Alfred F. Lilienfeld and Edwin L. Voss have been appointed field assistants at Reading and Peoria respectively.

Winfield S. Scovell, field assistant at Hartford, has been transferred to San Francisco.

N. W. Mutual Okla. Rally

Several home office representatives are scheduled to attend a meeting of the Oklahoma agency of Northwestern Mutual Life May 27-28, including Grant L. Hill, vice-president and director of agencies; L. J. Evans, assistant director of agencies, and Harold Gardner, educational director. The conference will conclude with an agency dinner.

Van Winkle Shifts Two

Kellogg Van Winkle, Los Angeles manager of Equitable Society, has transferred District Manager Wayne Hammond from Santa Ana to be in charge of the Hollywood district office. Assistant Manager Earnest Christen has been promoted to manager at Santa Ana, serving Orange county.

Lincoln in San Francisco

Leroy A. Lincoln, president of Metropolitan Life, addressed a joint luncheon meeting of the San Francisco Chamber of Commerce and San Francisco Commercial Club on "Research in Industry," before an audience of several hundred.

R. I. Union Secedes

Rhode Island members of the Industrial Insurance Agents Union, CIO, have voted to secede from the United Office & Professional Workers, Local 36. Two national organization representatives were ejected before the vote was taken. A resolution charges that the national leadership of UOPWA is pro-Communist.

William A. Atherton of the Minneapolis office of North American Life & Casualty wound up the month of April with a clean sweep in all departments. He was a leading life producer with \$80,000, leading premium producer, and recipient of 261 items of groceries in the company's grocery contest.

SELLING HAPPINESS

The Beneficial Underwriter sells more than "insurance policies." He sells a future of happiness and peace of mind. He sells economic security to those who are willing to plan for the future happiness of themselves and their loved ones.

If the breadwinner is taken away, an income is provided for the family. Mother and the children will not go hungry or be deprived of their home . . . Elderly men and women enjoy freedom from money worries during their sunset years . . . Young men and women are assured of their college training.

The Beneficial Underwriter is a Benefactor to the people of his community.

BENEFICIAL LIFE
INSURANCE COMPANY

GEORGE ALBERT SMITH, President SALT LAKE CITY, UTAH



We are Growing

AND SPREADING OUT—

As a result of the progress Postal Life & Casualty has made, we can offer real opportunities for men who are looking for a chance to develop their own agencies.

POSTAL LIFE & CASUALTY
INSURANCE COMPANY

4727 WYANDOTTE STREET

KANSAS CITY 2, MISSOURI

Actuarial Society New York Rally Draws Record Attendance

(CONTINUED FROM PAGE 1)

ing the past year 18 actuaries have qualified as fellows and 44 as associates, a large number, many of them veterans. Secretary Walter Klem, Mutual Life of New York, reported that 752 have registered to take part in one of the examinations of the society and institute this June. This is a record number. The joint meeting of the society with the institute will be held Oct. 1-3 at the Chateau Frontenac, Quebec, Mr. Klem reported. O. W. Perrin, retired associate actuary of Penn Mutual, presented the treasurer's report.

FORMAL PAPERS

"Premium Interpolation" was the subject of a paper by Henry S. Beers, vice-president of Aetna Life. In life company offices it sometimes happens that a table of premium rates has been carefully determined for every fifth or tenth age but it is desired to fill in the rates for intermediate ages by approximation instead of by exact calculation. The paper presents a formula for doing this that differs somewhat from the formulas previously known. The claim is made by the author that the new formula improves the reliability of the results with no increase, but sometimes a decrease, in the time required to perform the operations.

A technical paper on "The Evolution of Exposure Formulae" was prepared by E. Olifiers of Rio de Janeiro, Brazil, and will be published in the proceedings.

Annuities and Decreasing Mortality

In discussing a paper on "Annuity Premiums and Reserves Based on an Assumption of Decreasing Mortality" presented by W. A. Jenkins, vice-president and actuary of Teachers Insurance & Annuity, at last November's meeting, E. G. Fassel, chief actuary of Northwestern Mutual Life, said he believed that improvement in mortality was inherent in the nature of the annuity business and the time had now come to base reserves and premiums on a table which would embody some forecast of this future improvement in mortality. He suggested that if such a table were adopted, however, the society's joint committee on mortality might make a periodic check to reestablish the suitability of the table for premium purposes.

In discussing the same paper, W. J. November, associate actuary of Equitable Society, mentioned that the settlement option report recently completed by the joint committee on mortality established fairly clearly that in the settlement option and deferred annuity fields, elections made by persons who will receive the income, result in lower mortality than elections made by another person. There are indications also that within the former class, persons who reach retirement age and then choose to receive a life income instead of a single sum may well be subject to higher mortality than beneficiaries who make an election at the time death proceeds become available to them. This last group, consisting for the most part of women, appear to have achieved the most success in the self-determination of which lives are likely to benefit most from the election of a life income.

Knowledge Is Improved

While there is much yet to be learned, present knowledge of settlement option mortality is greatly improved over the information available a decade or so ago. That new knowledge is gradually being reflected in distinctions between payee and non-payee elections now appearing in company policy forms.

R. A. Hohaus, actuary of Metropolitan Life, while concurring on the desirability of making proper allowance for

future improvement in mortality, was of the opinion that practical means of accomplishing that end need further study. Two topics not covered by the paper which need exploration from the standpoint of group annuities are the problem of deferred annuities with a mortality element included during the period of deferment paralleling the discussion in the paper for deferred annuities with only an interest accumulation factor during deferment, and the problem of valuation and other administration questions involved in attempting to use the approach for mass operations required in group annuities together with the practical procedures, if any, which could be used to solve these problems.

Overhead and Unit Costs

In discussing the paper "Overhead and Unit Costs," by Manuel Gelles, J. E. Hoskins, associate actuary of Travelers, warned that there may be a temptation in a time of slack production to introduce a new plan at relatively reduced rates on the ground that the actual increment of expense is small. While the latter may be true at the outset, he questioned whether it would be feasible to raise the rates for the new plan if at a later time it becomes a major factor in production. There is some argument that a new plan should be scrutinized more carefully than existing plans as to the adequacy of its loading. As to an existing plan the agency force and to some extent the public have a vested interest so that the company is perhaps morally bound to continue its issuance even when competitive conditions interfere with getting an adequate rate. However, there would seem little ground for introducing a new plan unless it will pay its own way.

E. A. Low, assistant actuary, Metropolitan Life, and Irving Rosenthal, associate actuary of Guardian Life, also discussed Mr. Gelles' paper.

The paper by Kermit Lang, entitled "Simplifying the Valuation of Annuities Certain and Installment Refund Annuity by Assuming Continuous Payments" was discussed by W. M. Rae, group secretary and actuary of Bankers Life of Iowa, and W. H. Kelton, assistant actuary of Travelers. The former stated the method of valuation had been found very practical in actual operation in his company and the latter pointed out the flexibility of the method in connection with unusual types of supplementary contracts.

Exposure Sampling

A technical paper entitled "Observations on Exposure Sampling Procedures," by R. P. Coates and D. D. Cody, assistant actuaries of Equitable Society, was discussed by George C. Campbell and Gordon Shellard of Metropolitan Life and Chalmers L. Weaver, assistant actuary of New England Mutual. The latter emphasized the desirability of making full use of modern statistical procedures in connection with practical actuarial problems.

In discussing "An Actuarial Note: On Testing the Significance of Mortality Ratios by the use of Chi-Square," G. C. Campbell of Metropolitan suggested that statistical sampling could eliminate expense in valuing small annual statement liability items now handled by exact and expensive bookkeeping methods. He pointed out that a statistical estimate for a non-ledger item should be allowable for annual statement purposes if it satisfies the conditions that (1) the deviation from the true value is relatively small compared with the surplus earnings of a single year; (2) the deviation is as likely to be over as under the true value; and (3) the estimate does not appear ridiculous by deviating from the true value by a very large percentage of the

true value. Technical discussions of this paper were presented by Dr. T. N. E. Greville of the United States Public Health Service and Chalmers L. Weaver.

INFORMAL DISCUSSION

Actuaries were much impressed by the discussion of R. A. Hohaus of Metropolitan Life of the lessons learned from the Texas City disaster in underwriting and servicing group lines. Mr. Hohaus described the experience of Metropolitan in connection with its losses on Monsanto employees, and the conclusions that the company has reached as a result of its experience there. It was a last-minute addition to the questions for informal discussion, and it made a big hit.

Arthur Coburn of Southwestern Life

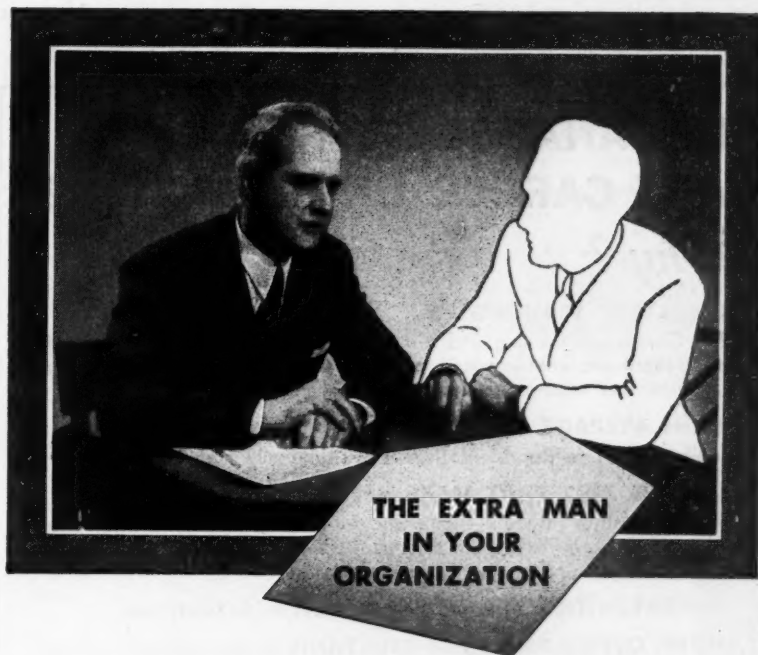
commented that he had just returned from Texas City. One of the major problems was the difficulty of identifying the dead, and "the life insurance industry has so handled the Texas City claims that its previous prestige has been enormously improved," he said. He praised the good work of the Galveston Assn. of Life Underwriters at Texas City.

State Rules on Calculations

A considerable number of companies are submitting policies to the various states which describe the method of calculating nonforfeiture benefits by referring to the standard nonforfeiture value method, A. N. Guertin, American Life Convention, stated.

In one or two states, Mr. Guertin indicated, qualifications to this description are required which may break the

(CONTINUED ON PAGE 15)



How good a brokerage service is depends entirely on the extent to which it *helps* the broker operate and earn money.

Many brokers have learned that Connecticut General offers an "extra man" for the broker's organization, an "extra man" who helps brokers create business.

This man saves them time by having the answers to many technical problems at his fingertips . . . he brings the efficiency and convenience of all forms of personal insurance from one source . . . he has close contact with Connecticut General's home office, whose underwriters are as close as his phone . . .

. . . And the extra man is as close as *your* phone.

**CONNECTICUT
GENERAL**
LIFE INSURANCE COMPANY
HARTFORD, CONNECTICUT



**BETTER SERVICE
THROUGH BETTER MEN**
LIFE INSURANCE, ACCIDENT AND
HEALTH INSURANCE, SALARY
ALLOTMENT INSURANCE AND AN-
NUITIES, ALL FORMS OF GROUP
INSURANCE AND GROUP ANNUITIES

Chicago Meeting Adds Impetus to National Managers Assn.

(CONTINUED FROM PAGE 1)

more training in the agency, because some of the mechanical work was already set up. The Mutual Life training program divides the year into three four month periods. Mr. Persons said he has found this a terrific advantage in that it gives a little more time to spend in recruiting and knowing the man better. Also, it is easier to train two or three men at a time than it is to train a single man and it makes the recruiting job specific.

Keeps Training Prompt

Mr. Persons said that under this training program a new man always starts on a Monday morning. For the next two weeks he is in the agency undergoing basic training, during which time he does not make any calls, but is constantly in session. The schedule is run on a 50 minute basis with 10 minute intermissions and is prompt to the

second. It is his theory that a sloppy training period produces inefficient agents.

After the new man completes the first two weeks he goes into the field. A part of the two weeks training period is the preparation of a schedule of where he is to go the first few days. The assistant manager goes into the field with him and stays with him until he feels the new man has hit a satisfactory work pattern. During the next four weeks the man is to complete a lesson a week in the basic training course. He also is on a definite schedule whereby he knows he must submit a report of his activities at the end of each week. This comes as a result of his having planned what he is going to do and then carrying out the plan. The speaker emphasized that this is not primarily a recording system, but rather a planning system.

Each new man has a production re-

quirement of \$10,000 on eight lives during the first few weeks he is in business. At the end of four months, he is sent at company expense to a five day training school run by home office personnel in a hotel away from the home office. There he spends five days in a hotel in classes of home office training which enables him to get on a definite schedule. The purpose of these schools is to reward and train, but probably the greatest benefit is the association with 12 or 15 other new agents from other parts of the country with the advantage of a liberal exchange of ideas. As he comes back from this school, he immediately steps into a more advanced course which is built around the D.L.B. Agents Service. He continues with the planning system and attends six more schools, the whole training interval being three years.

He said that only recently they have begun to incorporate some of the established men in the program, but he said that this is a very important point. Everyone in the agency has been invited into the training program, but no effort is made to force anyone to get into the schedule, providing he is doing a satisfactory job, not measured in volume alone. There are several men who are doing exceptionally good jobs and it would be a mistake to try to retrain them, he said.

Hartshorn Presents Company View

The ultimate judging of the institution of life insurance will be made on its salesmen's service and not upon its finances and therefore the home office must accept the responsibility of training the trainer, although the general agent or manager would do most of the training. Wilbur W. Hartshorn, superintendent of agencies, Metropolitan, declared. This speaker was substituting for John S. Ray, assistant vice-president in field management of Metropolitan.

"The viewpoint of a home office towards training depends upon its belief in such training. If the home office sincerely believes, it pursues an intelligent, aggressive program and is willing to spend money to accomplish the goal. On the other hand, if the belief is merely academic, its training program, if it has one, is fuzzy and indistinct, and there is a decided unwillingness to assume financial responsibility," Mr. Hartshorn said.

It is the company's responsibility to advice about company policy and practice, about latest developments in life insurance and about new and better ways to merchandise. It is also the responsibility of the home office to see that the manager is well informed and capable in instruction and training. It is the right of the general agent or manager to expect the home office to recognize such a responsibility, for there are no responsibilities without corresponding rights.

Treats Responsibilities to Public

Paul Speicher, R. & R. Service, deviated from his topic, "Human Relations in Agency Building" to comment upon how necessary it is to have a stronger general agents and managers organization of the sort contemplated to place proper emphasis on the manager as the key man in the life insurance picture. He charged the new general agents and managers organization with the responsibility to make sure that companies do not fall back into the unethical practices to which they will be attached when business is again hard to get. He charged them also to take the lead in justifying the agency system and free enterprise. He advised creation of a committee on stewardship to carry such messages to the public.

Mr. Speicher said that right pressures are needed to make good salesmen. First of these is financial pressure. The agent cannot be subsidized to the

point where this is lacking.

The second pressure is the excitement of setting up a goal and making it. There is also the excitement of being on a winning team. He said several managers have instilled the winning team spirit in their agents, so that these men were working as much to see the sales graph rise as to earn the money.

Another necessary excitement is that of new sales ideas. He cited as example that of the agent who realized that partnership insurance is a natural for the number of farms which are run as



H. W. Persons



W. W. Hartshorn

father-son enterprises. The final excitement he said is that of being a specialist. He said life insurance has become so broad that specialists in definite lines are necessary. The man who makes himself a specialist can learn almost all there is to know about one particular branch whereas he could not be so well versed in all kinds of life insurance. By channeling his sales activities into one line his experience and confidence make him unbeatable.

TWO-MAN SEMINAR

In the two-man seminar Judd C. Benson, manager home office agency of Union Central, particularly stressed morale factors. He said the agent needs the feeling of well-being, of being successful. He drew the distinction between this and actual success, pointing out a man may be conscious of doing a good job even though he may have failed to make a sale. On the other hand, it is pretty difficult to get a man who feels he is making a failure out of his interviews to have six failures a day.

Because of this, it is necessary to build up the agent as an artist who loves his work. The manager's success will depend on how good an artist he is able to make out of the agent. For agents who are muddled up in their thinking about life insurance he suggested having them get to work early in the morning and read for 30 minutes something constructive and inspirational on the life insurance business so as to wash out of their minds all their trials and tribulations.

A third essential is to keep the prospect bin full. Mr. Benson said in 10 years he had never seen an agent who had 10 good prospects who also had low morale and he never saw an agent who was without prospects who had a good opinion of the life insurance business. Hence, the manager must see that the agent has at least 10 good prospects, people he believes he can sell, all the time.

Visiting Kills Morale

One of the worse destroyers of morale is for agents to visit with each other. He has in his agency a sign saying that regular visiting hours are from 7:30 to 8 a. m. and 5:30 to 6 p. m. The agents get the point—visiting is not important enough to warrant arriving early or staying late.

A man's morale is good, Mr. Benson said, when he stands squarely on his own feet. If he says, "If it wasn't for my general agent I don't know what I'd do," that man is in a bad fix. The agent should look on his manager as one who will help him when he needs help but not as one on whom he is dependent.

Among Mr. Benson's management principles are that every contract must

INDIANAPOLIS LIFE MEN ARE CAREER UNDERWRITERS

Why?

EXCELLENT TRAINING

The Company's training and retraining plans are comprehensive, definite, thorough, enabling new men to promptly establish satisfactory incomes, and experienced men to grow and progress.

HIGH AVERAGE EARNINGS

Indianapolis Life Representatives enjoy unusually high incomes.

SELLING AIDS THAT MAKE NEEDS CLEAR

The Company's ratebook—carefully designed for programming, briefing and package selling, making answers available instantly. Modern sales literature and briefs to cover all needs.

OPPORTUNITIES FOR ADVANCEMENT — Exceptional

HOME OFFICE AND FIELD RELATIONS — Exceedingly cordial

A QUALITY, LEGAL RESERVE MUTUAL COMPANY

HIGHER THAN AVERAGE ASSETS OVER LIABILITIES

ORGANIZED IN 1905

OVER \$180,000,000 OF INSURANCE IN FORCE—OVER \$48,000,000 IN ASSETS

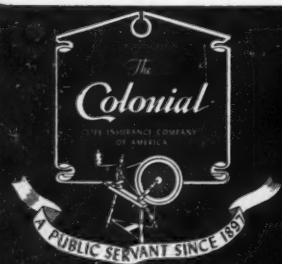
Indianapolis Life Insurance Company

Indianapolis 7, Indiana

Agency Opportunities in Texas, Minnesota, Michigan, Illinois, Ohio, Iowa and Indiana.

A. H. Kahler
Second Vice-President
Superintendent of Agencies

Edward B. Raub
President



THE COLONIAL
LIFE INSURANCE COMPANY
OF AMERICA
HOME OFFICE - JERSEY CITY, N. J.

OUR 50th ANNIVERSARY

We are proud to have served a half century in an industry so closely related to human welfare.

As we look forward to continued growth and progress, SERVICE will always play a major role in our activities.

be the same, every agent has access to every prospect in the city, leads are given out impartially as between old and new agents, office locations are reshuffled each year, the choice being based on paid premiums, only one agency meeting is held each month and lasts half a day, clinics for information and training of new men are held and quotas and records are based on commissions earned, not on volume, and there is an agency committee for hearing grievances, which don't come to Mr. Benson for action unless they cannot be handled by the committee.

Recruiting Requirements

Discussing recruiting, Mr. Benson said there are three basic requirements — a philosophy, the allocation of time, and a plan. As to selection principles, Mr. Benson said it is better to take a month to hire a good man than to spend the rest of your life with a poor one. It is almost impossible to pay a good man too much but anything you pay a poor one is lost. It is a mistake to sell the business to a prospective agent. The manager should present the business and then let the new man decide whether he wants to enter it or not.

"Don't buy a horse with a limp," said Mr. Benson, that is, don't take a man on about whom you have reservations. Finally, don't take the incentive out of compensation. The man who does an unusually good job should feel that it is worth his while financially.

Taking up the characteristics to seek in a new man, Mr. Benson said that mental alertness, or the ability to learn, has moved up greatly in importance as training procedures have improved. If a man is lacking in this type of intelligence it is almost impossible to train him. Other traits to look for are character, determination, a sense of dramatics, resourcefulness, aggressiveness, emotional stability and a sense of humor.

In selecting a man the manager should have at least five interviews over a period of 30 days. He should be careful to see that the man understands the selling process, getting him to describe it, not taking it for granted that he understands. In discussing compensation the prospective agent's wife should be in on the interview.

Mr. Benson said it is important to keep constantly before the agents the rewards of success.

C. W. CAMPBELL

The other half of the two-man seminar, C. W. Campbell, Newark manager of Prudential, in discussing the agency building process said it is necessary to prepare for the change from a seller's to a buyer's market. He said the manager's job needs much in study if it is to be efficiently handled. In developing an agency it is not easy for the manager to decide whether to devote his entire time to building his agency or use some of it in personal production because he can often make more money in the early years by the latter course.

Training Course Described

Mr. Campbell said his agency has a two weeks' basic training course. Two of the assistant managers are in charge of training all the new men, not only for their own production units, but for those of the other assistant managers as well. This two-week basic training period has done more to get men into production than anything else, he said though conceding that many would not agree on its value. When the new man is assigned to a production unit the assistant manager in charge of the unit continues his training on the job. The training procedure should be written out, he said and then constantly modified as improvements are made. The agency quickly qualified under the G. I. bill as a training on the job agency but the trouble has been that the agents were soon making enough money so that they no longer received government benefits and it was somewhat diffi-

cult to get them to continue their regular training procedure after that.

It has been found best not to have a unit manager supervise more than 12 full time agents and not more than four of these agents should be comparatively new men. In appointing assistant managers the question always comes up whether it is wise to take a half-million personal producer and make him an assistant manager; although he can continue to write personal business his production usually drops to about \$100,000. However, being an assistant manager is a necessary step on the road to becoming a manager and this is quite an incentive. He agreed that it is a hard choice to give up a substantial producer to permit him to become an assistant manager but increased production for the agency will follow.

An essential function of an agency Mr. Campbell said, is an adequate administrative organization and lack of this is a frequent cause of failure. The agency staff is divided into those who handle old business and those that handle new business. The former take over when the first premium has been paid and have full responsibility from then on.

Mr. Campbell said that he heard very little about eliminating agents who had proved unsuited to the business but a man should never be kept on longer than it is to his advantage or that of the agency. However, it is a difficult decision to make. The man will probably plead to be permitted to stay on a little longer. Mr. Campbell's system is to ask a man to set down his own estimate of how much time he needs, which will usually be 30 to 60 days, although Mr. Campbell is willing to give him up to 90 days. He is then asked how much he should pay for during that time and if he proves unable to meet this figure during this specified period he is automatically out. At the same time the man's associates feel that he has been given a fair deal.

J. A. STEVENSON

Meeting today's challenge to management calls for a realization of the larger aspects of management's responsibilities and that involves two major objectives, said President John A. Stevenson of Penn Mutual Life. The first of these is to improve and increase the distribution of life insurance to a point where it can become a model of effectiveness in the whole field of distribution, thereby making a substantial contribution to the nation's economic security. The second is to improve agency operations so that they perform well for the individual agents, giving them an opportunity for lives rich in satisfaction, a sense of accomplishment, in income, and "in happy integration into the whole social structure."

Men must be developed for their own sakes and not merely supervised for the sake of production, he said. Similarly, training should not be merely through sales methods and devices which can obtain production results but there should be an over-all training philosophy designed to give agents the real feeling of competency, the sense of proficiency which will enable them to see themselves as highly educated specialists, equipped to give the highest order of service. Some may insist that the basic purpose of training is to get sales, but in Mr. Stevenson's opinion that point of view belongs to yesterday, not today.

While conceding the value of aptitude tests for selection, training methods adapted from war-time industry, and supervisory techniques to improve both quantity and quality of production, Mr. Stevenson warned that in agency management a wealth of intellectual equipment may be far out balanced by deep-down interest in human beings and a real desire to help them succeed. Intellectual management is needed today more than ever but successful agencies aren't built entirely on text-book knowledge or the information found in bul-

letins dealing with social or economic or financial affairs. Genuine human interest is the cement in the foundation of any agency structure which is to rise to impressive heights and stand firm in the future.

J. B. Baumann, general agent, Pacific Mutual, Houston, and vice president of the National Association brought greetings from the association and also discussed briefly N.A.L.U. guiding principles in agency management.

The address of H. R. Smith, director of the Purdue life insurance marketing course, is reported elsewhere in this issue.

E. L. Zalinski, director of the joint committee for life underwriter education and training, was introduced and spoke briefly on the committee's objectives.

A. E. Patterson, president of Mutual Life, and A. J. McAndless, president of Lincoln National Life, stopped in for a few minutes and were introduced to the audience.

Hosts to Mortgage Bankers

Investment officers of Business Men's Assurance were hosts at a buffet supper honoring members of the Mortgage

Bankers Assn. who were in Kansas City attending a regional meeting.

Among those present was Guy T. O. Hollyday of Baltimore, president of the bankers association. Hosts to the party included W. T. Grant, chairman; Grant Torrance, treasurer; Frank Blake, assistant treasurer of B.M.A.

Pittsburgh C.L.U.s Meet May 23

The Pittsburgh C.L.U. chapter will hold a luncheon May 23. F. Hobert Haviland, vice-president in charge of Agencies Connecticut General Life, will talk on the C.L.U. as a client-building influence. V. W. Lanfear of the University of Pittsburgh school of business administration will speak briefly.

Warns On Unlicensed Insurers

Superintendent Jordan of the District of Columbia has asked the Insurance Club of Washington to bring to the attention of its membership the statute prohibiting agents from placing insurance in a company not authorized to do business in the District. He cited the case of an agent who was recently found guilty of placing business with an unauthorized insurer.



**NOT
WHAT KIND,
BUT
HOW MUCH?**

NO ONE ever asks what kind of life insurance he owned. Everyone wants to know *how much* he left.

If that's the first thing they ask when he dies, isn't it the first thing *he* should ask when he *buys*?

We thought so. That's why we make \$15 a month Family Income available on Five Year Renewable and Convertible Term Insurance.

It only takes \$203.70 a year at 35 to guarantee his family \$150 a month for 20 years from date of issue and then \$10,000 in cash.

Initial rate — \$6.55 per \$1,000.

OCCIDENTAL LIFE Insurance Company
of California ★ V. H. JENKINS, Senior Vice-President

"We pay lifetime renewals—they last as long as you do"

EDITORIAL COMMENT

Tremendous Value of Work

Sometimes when our minds are disturbed or we are tired or depressed we are inclined to look upon work as a burden thrust upon us, as an affliction of some sort. We are happy to remove ourselves from it. We try to find some more congenial location and more friendly atmosphere.

There are some persons who are continuously hostile to any form of labor. They want to be looked after and have others work for them. But after all, work is one of our greatest teachers, and one of the greatest forces we have in shaping our lives. We learn to accept responsibility when we work, we have some cause for our daily toil, and we find pleasure in being physically engaged. However menial the job, there is much value in work. It enables a person to accomplish something that he has in mind. When he works he is going forward. It is through work that we provide our abiding place, our food and the pleasures that give us recreation.

There are those who work to excess and that is a detriment. There must be moderation. Whether we work with our hands or our heads we are meeting demands on us. We are helping others as well as ourselves and our families. When we work intelligently and use our time diligently we become creators.

Carry Message to the People

Ferre C. Watkins, prominent Chicago attorney, a profound and virile thinker, former president of the Union League Club of his city, gave a talk to the insurance membership group of the club in which he pointed out some of the dangers that confront insurance. He called attention to the fact that the perils had come from behind. He is not afraid of frontal attacks. For instance, one of the most insidious ways of trying to get the government into the insurance business is through health, accident and hospital service. The Wagner-Murray-Dingell bill, providing for payment of health and accident benefits, has been in Congress for some time. There are two states that have passed laws extending the unemployment act to cover health and accident benefits. California allows private companies to enter this field, but with the understanding they will give a more liberal policy. Rhode Island makes it thoroughly a state measure.

Mr. Watkins stated that it is through measures of this kind that those inter-

Perhaps the greatest boon to life after all is work and what it brings.

In a recent issue of "Time" there were some observations on work that made a special appeal to us. It is something that we can read and reread with great benefit to us. "Time" said:

"Last fortnight, in his latest encyclical, Pope Pius pointed to that great prescriber of physical labor, St. Benedict: 'Were the teachings with which Benedict restored and reanimated the decadent, turbulent society of his time today universally applied and flourishing, then our century could repair its moral and material ruin, find quick and perfect healing for its deep wounds. . . . Benedict teaches us another truth often proclaimed, seldom practiced today—that human labor is not something ignoble . . . but a thing that should be loved as something worthy and welcome. The life of work, whether in fields or workshops or intellectual occupations, does not degrade but ennobles men . . . turns them not into slaves but masters and molders of substances surrounding them . . . Hence all . . . must consider that they are serving not only themselves but also the existence and well-being of the whole of civilized society . . . that they work not through compulsion but from love . . .'"

ested in getting the government into private business are working. He regards the situation as one that must be watched with the greatest possible care and alertness. Mr. Watkins plainly stated that the insurance people themselves must be exceedingly diligent. It may be necessary for insurance to appeal to the people. He thinks that the people should understand what is in the air, what is being proposed, and how their insurance may be affected. He does not believe that the people at large want their insurance to be written by the federal government. In fact, he thinks the federal and state government should stay out of insurance entirely.

Mr. Watkins, who was formerly chairman of the legislative committee of the American Legion, said that when Congress was endeavoring to get ready for war, the appropriation proposed seemed exceedingly small. He stated that unless an appropriation could be secured that was adequate, the country would be in extreme danger. Therefore, he appealed to all Legion posts through-

out the country to call meetings of citizens and get local associations to meet and set forth the danger of inadequate appropriation. Then their members of Congress should be notified of their conclusion and what they were doing. He said it resulted in an adequate appropriation being made.

He said that in the same way insurance may be called upon to go straight to the people, give them the message and urge them to get in touch with their legislators.

It would seem to us that there is an opportunity for companies, general offices, branch offices and local agencies to get together a simple message that can be enclosed with mail that is sent out. This could be a series of messages to enlighten the people as to what is going on and what may be necessary in

order to get proper action. It should not be a long essay. The messages should be in very plain and simple terms, pointing out the danger to one's insurance and urging that legislators be notified of what the policyholder is thinking. He should voice his opposition to government entering the insurance business. We believe that this can be very effective. Home offices send out thousands of letters every day. Each company and each office should have someone acquainted with the situation who is able to put down on paper something that the average man can understand. When they understand what is up, then they will become interested. No one wants the government to tamper with his insurance. It is time to start this crusade at once while there is still time for it to be effective.

PERSONAL SIDE OF THE BUSINESS

Clarie Adams, president of Ohio State Life, has been elected president of the Community Chest of Columbus.

Clark Horton, Great Southern Life, Oklahoma City, has been elected president of the Junior Chamber of Commerce there.

Bert C. Nelson, special agent in the Stamm general agency at Milwaukee of Northwestern Mutual Life, addressed students in the life insurance marketing school of Purdue University.

Roger Jeffery, Union Central Life, has been appointed a director of the Houston Junior Chamber of Commerce.

L. M. B. Morrissey, Jr., of the Davenport agency of Phoenix Mutual Life paid for \$250,000 of life insurance in the first four months of 1947, after having been in the business only a year. He made the company's quarter million club in 1946, after his first nine months of service following his return from service overseas. His father has headed the Davenport agency since 1914.

Dean Arthur T. Vanderbilt of New York University law school, who has handled a number of important insurance cases in his private practice in Newark, has been selected as director of the survey of the legal profession which will be an independent project in the interest of the public and which will view the profession from the educational, economical, social and other standpoints.

Walter G. Nelson, attorney National Life of Vermont, has been appointed a member of the committee on pension and profit-sharing trusts of the American Bar Assn.

Jack Wardlaw, Provident Mutual, Raleigh, has qualified for the Million Dollar Round Table. He is a director of the Raleigh association and chairman of its publicity committee. He entered the life insurance business in 1941. He formerly had an orchestra.

Isadore Samuels, general agent New England Mutual for Colorado and Wyoming, was one of the three winning candidates in the election for membership on the Denver board of education. There

was a hot contest, the opposition coming from the American Federation of Teachers, which had the backing of labor organizations and which promised revision of some of the board's principles.

Miss Lorraine Sinton, sales promotion manager in the Paul W. Cook agency of Mutual Benefit Life at Chicago, who had a distressing eye accident some months ago, has gone to San Francisco to be under the care of Dr. Dormand K. Pischell, famous eye surgeon, and will be at the Leland Stanford Hospital. Her mother accompanied her to San Francisco.

Miss Sinton, while using the telephone in her office, by some mishap let the receiver fall on her head, which resulted in a detached retina. She lacked vision in her other eye and for a time could not see to read. Vision in her other eye has been helped, but she has not had any success in the retina operations she has undergone. Dr. Pischell lectured at the University of Michigan two weeks ago and Miss Sinton went to Ann Arbor to see him. He told her that he might be able to do something for her, but it would all depend on good luck.

DEATHS

Edward C. Rockafellow, assistant secretary of Washington National, died at his home in Evanston following a heart attack. He would have been 74 in July.

Mr. Rockafellow joined Washington National in 1912, and for many years was in charge of industrial claims, in which field he was considered an expert. He is survived by his widow and two daughters, Marian of Evanston, and Mrs. Roger Budlong of Glen Ellyn.

Mrs. Louis Roeding, 75, the mother of George C. Roeding, associate manager THE NATIONAL UNDERWRITER, Cincinnati, died at her home in Covington, Ky., after a long illness. She was also the mother of Harry and Edward Roeding, who operate the H. H. Roeding &

THE NATIONAL UNDERWRITER

Published by THE NATIONAL UNDERWRITER CO., Chicago, Cincinnati, New York. PUBLICATION OFFICE, 175 W. Jackson Blvd., CHICAGO 4, ILL. Telephone Wabash 2704.

EDITORIAL DEPT.: C. M. Cartwright, Editor. Levering Cartwright, Managing Editor. News Editor: F. A. Post. Associate Editors: D. R. Schilling, J. C. O'Connor. Assistant Editors: Richard J. Thain, John C. Burridge.

BUSINESS DEPT.: Howard J. Burridge, President. Louis H. Martin, Vice-President and Secretary. John Z. Herschede, Treasurer.

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SAN FRANCISCO 4, CAL.—507-S-9 Flatiron Bldg., Tel. EXbrook 3054. F. W. Bland, Pacific Coast Manager. Guy C. Macdonald, Pacific Coast Editor.



Co. local agency in Covington, another brother, Albert, and three daughters.

Robert H. Reid, 64, former assistant superintendent at Buffalo of Prudential, died. He had retired three years ago because of his health. He joined the company as an agent almost 40 years ago.

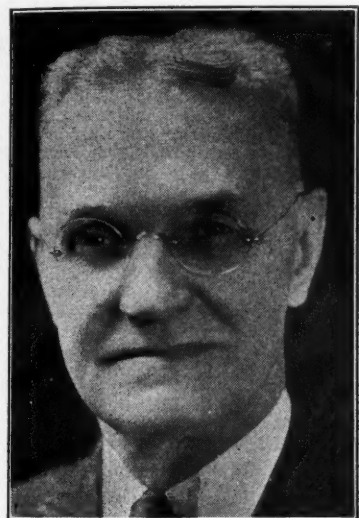
George Leyse, 70, associate manager Doremus-Bragg agency of Guardian Life until he retired in 1946, died at White Plains, N. Y. He joined the agency when he was 19.

Oscar I. Bryan, 62, vice-president and director of Union Life of Richmond, died there. He had been active in insurance work since 1908. He joined Union Life in 1921 as secretary and a director and manager at Norfolk. In 1929 he was elected vice-president and continued as Norfolk manager until 1938, when he was transferred to the home office.

Louis A. Bloemer, 63, home office agency department Western & Southern Life, died at the home of his daughter, Mrs. Eugene McHargue, in Chicago. Mr. Bloemer had 44 years service, starting as a bookkeeper. In January he was given a leave of absence on temporary disability. Services will be held at Holy Cross Church, Covington, Ky., May 16.

"Ad" Veteran Dies

Arthur A. Fisk, 75, manager of the advertising department of Prudential until his retirement in 1942, died in New



ARTHUR A. FISK

York City. His association with the company covered more than 40 years. A son, Kirby Fisk, is general manager of Prudential's bond department.

B.M.A. Holds Two Sales Rallies

Business Men's Assurance held a regional sales conference for Arizona and New Mexico salesmen at Albuquerque, N. M., May 12-13. The meeting was arranged by Manager O. K. Johnson of Albuquerque and Manager W. B. Huie of Phoenix. The home office was represented by John W. Saylor, vice-president in charge of sales; G. J. Tritch, field manager, and H. C. Pogue, manager group department.

Another conference was held last week at Wichita, Kan. Bert A. Hedges, manager at Wichita, arranged the meeting and the home office was represented by W. T. Grant, chairman; Mr. Saylor; Jack R. Morris, director of publicity; W. A. Sims, underwriting department; J. A. Criswell, regional supervisor claim department; and Bernard Johnson, sales department.

At the banquet the group presented a lamp to Mr. and Mrs. Grant, who were celebrating their wedding anniversary.

Annual Meeting of Actuarial Society Draws Record Attendance

(CONTINUED FROM PAGE 11)

pattern of uniformity in policy language and thus impede the use of a reference to the standard nonforfeiture value method on a uniform basis in all states.

G. H. Davis of the Life Insurance Association said that nine states have passed new standard nonforfeiture laws or amended old laws so as to make possible exclusion of extra premiums on substandard risks from the adjusted premiums used in calculating nonforfeiture benefits. Fourteen states, including these nine, now have in their laws provisions which do not require a detailed statement of the method of calculation of nonforfeiture values for the period for which a table of values is shown in the policy.

DIVIDENDS

In the discussion of dividends the point was made that companies need to be sure of their obligations, and that given blocks of business should stand on their own feet. To this end the actuary should be certain he understands what those obligations are. Certain present margins may have to be plowed back in for future obligations on that block.

W. F. Ward of Mutual Benefit said that true consistency in net cost between old and C.S.O. policies is related to dividend scales. Losses represented by liberal settlement options can be adjusted by dividends.

Current dividend illustrations are desirable, he suggested, since the gross premium is redundant. Perhaps the remedy lies in the agent giving a full and accurate account of the illustration and making sure his listener understands that it is tentative, that it is a projection into the future of a scale true as of today. There is no trouble where current dividend illustrations are properly used.

Others Treat Subject

Several discussed this topic: Guy W. Pickering, Home Life; Donald B. Cheney, Prudential; J. L. Stearns, New England Mutual; Harry Walker, Equitable Society; Charles F. B. Richardson, Mutual Life; Ernest J. Moorhead, L.I.A.M.A.; and Alton O. Groth, Equitable of Iowa.

Morris Pike of John Hancock Mutual doesn't believe it imperative to establish additional reserves for liberal settlement options on old policies which have not yet matured. However, probably all actuaries see the need of taking care of additional contingencies with additional reserves, he suggested—for disability, double indemnity, converting certain types of policies, single premium annuities, etc. On the single premium annuities, allowance might be made for increased expenses, he said.

Middle Course Best

Practically, he added, actuaries will take care of such items in the order of their importance and as the reserve strengthening can be done. A middle course best for the company's past, present and future policyholders is a reasonable goal.

The companies need to determine realistically their obligations under liberal settlement options, Bert A. Winter of Prudential advised. Strengthening of reserves should be done over a period long enough to avoid a sharp drop in surplus, M. E. Davis of Metropolitan suggested.

INTEREST RATE

To the question, "Where may the interest rate be expected to level off?" Wendell P. Coler, American United Life, suggested that the rate, at least for corporate securities because of the

extra risk as compared with governments, might turn in a year or two. Just recently the government adopted a practice aimed at deflation. It has been paying off \$200 millions of treasury bills a week in recent weeks. There are more than \$15 billion of some \$17 billion such bills outstanding that are owned by federal reserve banks. As they are paid off, the supply of bank deposits is reduced, since when held in the federal reserve they may create six times as much in bank deposits as if they were held in commercial banks.

Apparently the government is getting ready to unpeg the rate of interest on short term treasury bills and perhaps to unpeg the certificate rate. If this is done, it will give the federal reserve system more control over financial affairs.

Refunding for Long Term

Refunding short term government obligations for long terms will attract as buyers genuine savings institutions such as life insurance companies, which would tend more toward deflation than if those obligations were in the hands of commercial banks where they serve to increase bank deposits.

"Should normal depreciation of real estate be treated as a charge against investment income in the gain and loss exhibit rather than as an investment loss?" To this question Mr. Coler's answer was that real estate depreciation must, in order to provide a true picture, be charged against investment income.

Professional management of business and property gradually is supplanting owner management, Mr. Coler pointed out, and professional management is primarily interested in continuity of the business and its long term success. It therefore tends to be more conservative in such things as depreciation charges. This makes the securities of such businesses more suitable as investments for life companies.

It would be a good thing under the New York law permitting investment in long term real estate ventures for the life company to have the right to review its position from time to time as to depreciation, J. J. Clair of Metropolitan said. The depreciation decided upon may later on found too fast or too slow.

McDiarmid Comments

The future trend of interest was treated fairly extensively by F. J. McDiarmid of Lincoln National Life, in a paper read by Henry F. Rood of that company. Much depends on what the government does with its long term bonds, which set the pace for the high grade bond markets.

The increased recognition of the risk factor in business and investments since the war, Mr. McDiarmid believes, will tend to improve yield. The next few years is likely to see a substantial increase in the corporate and mortgage debt of the country. Higher inventories and higher plant costs have increased corporate financing. There is a big, long time backlog of demand for housing and other construction.

A low return on bonds can be offset by investment in preferred and even common stocks, he commented, and a net of 3% probably still is obtainable on good mortgages. These and other factors make it likely that life companies can replace their present investments as they mature with investments of substantially the same average yield. Certainly the outlook on yield is much better than it was a year ago.

The question of where the interest rate will level off also attracted A. A. Rydgren of Continental American. Certainly this is the most important problem facing life insurance, he said, and the big factor is the influence of government in this field. When prices

level off, the government will seek to keep prices up; its policy then will be just the opposite of what it is now.

Mr. Rydgren predicted that the net interest return will stay at the present level of about 3% and will not fluctuate more than a quarter of a percent either way until the next depression—possibly in six to nine years. When that comes, the effort of the government unquestionably will be to force rates lower.

W. M. Anderson, North American Life, Toronto, commented on investments in Canada. He said Canadian companies are investing substantially in National Housing Act mortgages at a 5% gross return. The government participates to the extent of one-fourth of each loan at 3% interest; the companies to the extent of three-fourths, at 5% interest, and they manage the loans. The companies are protected by pool guaranties amounting to \$200 to \$350 per dwelling unit.

Louis R. Menaugh of Prudential commented on capitalization and depreciation of equipment as well as other phases of investment valuation.

UNDERWRITING

In discussing underwriting, J. B. Mabon, Sun Life of Canada, said that significant changes have occurred in basic mortality, due to advances in medicine, and underwriters are wondering if the extra premiums for impairments are now correct. It would also be advantageous to know, on unusual impairments, if over the years the business has paid its own way. Certain impairments, he added, continue throughout life, and it is useful to have full life histories, from date of infection or operation, if possible. This might be kept in mind in making mortality studies. Occupational information is important, but there has been too much dislocation because of the war to make any such studies practicable.

No company is considering contracting its non-medical underwriting since the war, Leigh Cruess, Mutual Life, stated in a discussion read by Pearce Shepherd of Prudential. There is need of experience studies on the subject. Also needed is resumption of studies on large amount business. There are signs of too great liberality; underwriters are inclined to forget the lessons learned in the 1920s and 1930s. Reinsurers, he stated, are concerned. Studies also would be valuable on substandard business to determine if the extra premiums being charged are enough, and on aviation risks, where underwriting practices, Mr. Cruess believes, are running too far ahead of what experience justifies.

Group Retirement

A retirement plan is not complete unless provision is made for the employee who becomes disabled, Henry E. Blagden of Prudential stated, but this provision should be noncontractual and probably nonfunded and on a pay as you go basis. Some real problems are involved—perhaps the disabled worker, unable to perform his old job, can do another; he may recover and the employer will not wish to reemploy him or continue to pay him retirement benefits; the social security act may be changed to include disability; the employee probably will receive workmen's compensation benefits. Prudential has some experience on group retirement annuities with disability benefits, and the experience is good, but the exposure is not large enough to warrant a conclusion.

John K. Dyer of Towers, Perrin, Forster & Crosby, in a paper read by Secretary Klem, said it recently has been the policy of his firm to recommend: Disability benefits financed entirely by the employer so that the employee does not believe he has a vested right in such benefits; no attempt should be made to establish a fund—it is better to pay these benefits out of current payroll, and the employer

(CONTINUED ON LAST PAGE)

MANTLE OF COMBINATION LEADERSHIP FALLS TO

Industrial Insurers Conference

Tenor of Speeches
Indicates Stronger
Legislative Interest

New Headquarters,
Bulletin Service,
Enhance Position

By GEORGE E. WOHLGEMUTH

VIRGINIA BEACH—Removal of the central office of the Industrial Insurers Conference from Atlanta to Richmond was termed a wise, efficient and economical move by E. H. Speckman, president Kentucky Central Life & Accident, president, in his annual report at the 38th annual convention here. He said the new headquarters are readily accessible to Washington and M. B. Williams, executive director selected at the Biloxi meeting, is the key figure in plans to give a wider scope to the conference. A thorough analysis



E. H. SPECKMAN

has been made of conference operations, an increase in dues has been put into effect and activities have been put on a budget. Last year a portion of the increase was refunded. A legislative service to be bulletined to members is planned and long and short range objectives are being laid down.

Mr. Speckman declared that members of the conference call for a service peculiar to the business and many belong to no other organization. They have over \$1 billion assets, \$8¼ billion business in force and 40,000 personnel. Many completed the most successful year in their history in 1946. The gains are sound and will be retained, he said. A better understanding of the business is deserved both among the members and their policyholders.

Memorials Presented

S. F. Keeble, general counsel Life & Casualty, chairman of the resolutions committee, presided while memorials were tendered those who died in the past year. J. F. Finlay, counsel Interstate Life & Accident, presented the memorial for H. T. Dobbs, retired executive vice-president Industrial Life

(CONTINUED ON PAGE 20)

NEWLY ELECTED OFFICERS

President—Bascom Baynes, president Home Security.
Vice-president—H. C. E. Johnson, president Interstate Life & Accident.
Secretary—W. L. Newton, vice-president Kentucky Central Life & Accident.

EXECUTIVE COMMITTEE

Chairman—J. D. Morse, president Home State Life.
New members: S. F. Keeble, general counsel Life & Casualty; A. A. Biggio, vice-president and manager industrial department Liberty National; J. R. Anthony, Jr., secretary-treasurer Suwannee Life (3 year term). W. J. Hamrick, agency vice-president Gulf Life (2 year term). E. H. Speckman, president Kentucky Central Life & Accident, immediate past president (1 year term).

Holdover members: E. H. Mears, president Union Life, Va.; N. T. Weaver, vice-president Bankers Health & Life; I. M. Sheffield, Jr., executive vice-president Industrial Life & Health; J. S. Gould, president Reliable Life.

Conference Has Outgrown
Sectional Cast—Williams

The Industrial Insurers Conference has outgrown the sectional boundaries

of its early years to an organization of 66 member companies domiciled in 22 states and the District of Columbia writing other types of policies as well as industrial. M. B. Williams, executive secretary, declared in his report. Pointing out that the 29% increase in industrial production in 1946 and the 13% increase over 1946 in the first quarter of 1947 do not bear out the assertion made by some that industrial is on the wane, he said, "we cannot escape the thought that an organized educational and public relations policy is in the offing. The public needs and wants a definition and an interpretation of the trademark 'industrial.'" Whether it is called industrial or sold on a monthly basis and called ordinary, the system of premium payment is the same. The installment plan of payment has become a part of



M. B. WILLIAMS

our economic way of life, he stated.

Declaring that no organization can be successful without a purposeful, carefully laid out program, he said both long range and short range objectives of the conference would be considered during the sessions. Mr. Williams has already visited 28 members and said he hoped to complete the circuit by the end of 1947. Superimposed on the close personal relationships which have bound the conference together in the past should be an active and vital program to meet current and future needs.

More Companies Eligible

There are many companies who belong in the conference and who will be eligible once the facts are known and the story told, but a well-defined membership policy is needed and should be established so that the organization will be truly representative of the voice it expresses.

The strength of any organization lies in the individual member and the response to central office inquiries and questionnaires and quick reaction to legislation determine its effectiveness and usefulness to the industry, he asserted.

New Triumvirate of Top Officers



Top officers for the Industrial Insurers Conference are, left to right, H. C. E. Johnson, Interstate Life & Accident, vice-president; Bascom Baynes, Home Security, president, and W. L. Newton, Kentucky Central, secretary.

Gear Constitution,
By-Laws to New
Role at Annual

Williams Proves Mettle
in Virginia Beach
Attendance, Arrangements

VIRGINIA BEACH—The 38th annual meeting of the Industrial Insurers Conference here showed clearly that it has become the leading and most representative organization devoted solely to the interests of the combination companies and that it definitely has outgrown the sectional cast of its early years. With 215 representatives of 31 of its 66 companies in attendance, the largest and best representation in its history, the program and interest manifested showed clearly the results of the reactivation planned during the administration of E. W. Craig, National Life & Accident, and carried out during the administration of E. H. Speckman, Kentucky Central Life & Accident.

The attendance and arrangements also showed the wisdom of the executive committee last year in picking Martin B. Williams of Richmond to fill the exacting post of executive secretary-treasurer, whose title was changed to executive director at the meeting.

Under the new administration of Bascom Baynes, Home Security, who has worked strenuously to build a strong organization for a number of years and who previously had served as vice-president and chairman of the executive committee, with the assistance of the newly established central office with Mr. Williams in charge at Richmond, the organization is destined to have continued progress and growth and to enjoy a bright future.

Objectives Are Laid Down

Short and long range objectives were laid down at the meeting and changes were made in the constitution and by-laws to bring them up to date. While no set pattern is followed in the selection of the new officers, the advancement of Mr. Baynes from vice-president to president, succeeding Mr. Speckman, is one that has often been followed and puts into the chief office a man who has been well seasoned in the various posts he has previously held, who has devoted wholeheartedly his energies for the best interests of the conference and who knows clearly what he wants to accomplish.

Mr. Baynes started with Greensboro Life in 1927 and served as president of that company from 1929-32. When Greensboro Life was reinsured by Home Security in 1932, Mr. Baynes went with the enlarged company as agency supervisor, became executive vice-president, and for a number of years has served as president of his company. He is a native of North Carolina and was educated at Oak Ridge Institute.

Members entering the hotel to register were warmly greeted by J. T. Smith, secretary and general manager Universal Life, Va., and T. N. Kidd, assistant manager ordinary department Home Beneficial Life, who represented two of the host companies.

J. D. Morse, president Home State Life, was accompanied by Mrs. Morse. During his absence from his desk, Home State moved into its handsome new home office building in Oklahoma City.

Life Companies Have Stake in Rating and Fair Trade

Life insurance has a big interest in the solution of the rating legislation question as it is necessary for the industry to regard the all-industry committee program in its entirety rather than in its component parts, Bruce E. Shepherd, manager of Life Insurance Assn. of America, declared in his address before the Industrial Insurers Conference.

He referred to the possibility of the fair trade practices act being used as a back door method of regulating fire and casualty rates because of the existence of inadequate rating laws. Mr. Shepherd then asked why, if this is the case, it might not also be used to regulate life insurance rates for which there is a complete absence of rate control statutes. While this is thought to be a highly unlikely possibility, it nevertheless should not be ignored, he said.

While all the 1947 legislative sessions are not yet completed, there have been a sufficient number of adjournments to discern that substantial progress has been made toward an adequate strengthening of the existing state laws. They are not perfect by any means, Mr. Shepherd said, and still much is to be done in the way of enacting further legislation and making it work. Whether or not state supervision is able to continue to function effectively and exclusively will depend in no small measure on the effort that those in the business and those who supervise it exert to make it work. It has not worked on many occasions in the past. Shortcomings have been remedied to a point where one may truly say that state supervision of insurance, with its multiplicity of jurisdiction, is a marvel of cooperation.

There will be no less need of that cooperation in the future, he said.

Fair Trade Life Concern

Out of the whole all-industry program, the fair trade practices bill is of the most concern to life insurance, according to Mr. Shepherd. He said that very briefly, it declares unlawful, unfair methods of competition and unfair or deceptive acts of practices in insurance. It applies to companies, agents, brokers or any other legal entity or individual engaged in insurance. The act establishes procedure for enforcement and provides penalties for violations.

Both the pattern and the language of the model bill follow the federal trade commission act with an important exception. In the model bill, the simple but broad declaratory language of the federal act has been supplemented by specific enumeration of eight unfair practices. With respect to these, the commissioner is authorized to issue cease and desist orders, as under the federal act, but with respect to any other practices which the commissioner believes to be unfair, the commissioner is required to proceed through his attorney general and the courts of his state to enjoin their continuance.

When the all-industry committee and the commissioners' committee broke up on Jan. 24, 1947, there were only three points of difference between them on the model fair trade practices bill. First, there was a marked disagreement over whether boycott, coercion and intimidation, which are defined as unfair trade practices, are limited to acts committed in concert, or whether they apply to those committed by individuals.

Fire and casualty insurance agents were strongly opposed to the inclusion of individual actions within the definition, Mr. Shepherd related. They thought that a literal interpretation might be used to prohibit many of the acts and practices that are engaged in today within normal competitive activities. They were afraid that a practice which was clearly not monopolistic when viewed at the national level might be considered monopolistic of a part of the business

when examined at the state level. The commissioners were insistent that this definition be co-extensive with the Sherman act.

PENALTY PROVISION

Another point of difference as outlined by Mr. Shepherd, relates to the penalty provision. Under the commissioners' bill the penalty for violating a



BRUCE E. SHEPHERD

cease and desist order of the commissioner after it has become final was fixed at a sum not to exceed \$5,000 for each violation. The all-industry committee thought that this could be a pretty stiff penalty, even if the violation was a willful one. In the insurance business, if violations occur at all, they may occur in great numbers and such a penalty for each occurrence could amount to a huge sum. Also, specific penalties of the fair trade practices act would be in addition to any penalties already provided by insurance law. Thus, although the maximum penalty parallels that of the federal trade commission act, in effect, it is more severe because of its cumulative character.

Mr. Shepherd characterized the other point of substantial difference as centering around the "vague and obscure" provision which may be found in section 4 (b) of the commissioners' bill which reads, "The enumeration in this act of specific unfair methods of competition and unfair or deceptive acts and practices in the business of insurance is not exclusive or restrictive, or intended to limit the powers of the commissioner or any court of review under the provisions of section 9 of this act."

Perhaps nobody knows the real purpose of this provision, Mr. Shepherd said. In a bill such as that finally agreed upon which prescribes a different procedure to be followed in the case of the enumerated practices on the one hand and the unenumerated practices on the other, the use of this language not only serves to obscure the distinction, but might actually be dangerous.

He said, "I must admit that there are many in the insurance business who do not share this view, and perhaps it may be quite wrong. On the other hand, it is significant that the commissioners want to retain this provision in the bill for exactly the same reason the all-industry committee wanted it omitted. They wanted to use it to stretch the definitions of unfair practices. The most that can be said for this provision is that it is unnecessary. On practical grounds I feel that it should be omitted. That has been done in the fair trade practices act laws so far enacted."

UNITED INSURANCE COMPANY

Chicago, Illinois

FASTEST GROWING COMPANY OF ITS KIND IN AMERICA

Income 1946

\$10,547,513.00

Income 1944

\$5,818,325.00

*Representatives Wanted
In The State of Texas, Just Opened*

Specializes on:

Hospital Insurance

Monthly Premium Health & Accident

Weekly Premium Health and Accident

Full Line of Ordinary Limited Pay and Endowment Policies

KENTUCKY CENTRAL LIFE & ACCIDENT INSURANCE COMPANY

Anchorage, Kentucky

Financial Statement December 31, 1946

ASSETS

United States Government Bonds.....	81.93%	\$5,178,427.30
First Mortgage Real Estate Notes.....	3.84%	242,673.71
Public Utility Bonds.....	.80%	50,860.66
Stocks.....	.43%	27,275.50
Cash in Banks.....	9.48%	599,107.69
United States of America Premium Certificates.....	.01%	355.82
Policy Loans.....	.07%	4,463.62
Soldiers' and Sailors' Civil Relief Act Premium Loans.....	.01%	362.98
Real Estate.....	1.18%	75,000.00
Net Uncollected Premiums.....	2.03%	128,120.60
Accrued Interest Receivable.....	.22%	14,004.44
	100.00%	\$6,320,652.32

LIABILITIES

Reserve—Life Department.....	\$3,722,668.82
Reserve—For Non-Cancellable Health & Accident Insurance....	100,000.00
Reserve—Death Claims.....	30,680.59
Reserve—Weekly Indemnity Claims.....	36,031.38
Premiums Paid in Advance.....	162,133.01
Agents' Bond Deposits.....	87,946.45
Interest Accrued on Agents' Bond Deposits.....	575.00
Bills and Accounts Due or Accrued.....	18,661.31
Agents' and Employees' Savings for Purchase of War Bonds....	5,101.47
State, County, Premium and Federal Taxes Due or Accrued....	81,278.18
Withholding Tax.....	23,186.99
Social Security Taxes.....	6,846.87
Cost of Collecting Due and Deferred Premiums.....	2,016.72
Commissions Accrued.....	1,655.52
Unpaid Dividends.....	38.25
Voluntary Reserve — For Mortality Fluctuation and Lowering	
Interest Rates.....	200,000.00
Voluntary Reserve—For Contingencies.....	300,000.00
	\$4,778,820.56
Capital Stock.....	\$600,000.00
Surplus.....	941,831.76
Surplus to Policyholders.....	\$1,541,831.76
Total Liabilities and Unassigned Funds.....	\$6,320,652.32

LIFE AND CASUALTY

INSURANCE COMPANY

OF TENNESSEE

**OVER TWO MILLION
POLICIES IN FORCE**

A. M. BURTON, *President*

Home Office

Nashville, Tenn.

Comprehensive Entertainment Bill Offered Conferees and Wives

The entertainment program of the conference was comprehensive. It included two banquets, a reception, a party at a nearby club, golf and bridge tournament and sight-seeing trips for both men and women. Perhaps the high spot was a trip to the Norfolk Navy Yard where the U.S.S. Missouri was inspected and on board which a group photograph was taken. These who took this trip also had an opportunity to get a good look at the 45,000 ton aircraft carrier U.S.S. Midway.

The speaker at the past president's dinner was Rev. P. Rowland Wagner, Central Baptist Church, Norfolk, while the speaker at the annual banquet was Dr. F. J. Bradley, assistant chief, division of tropical diseases, National Institute of Health, Bethesda, Md.

A large number participated in the golf tournament with scores ranging from 73 to 120. The golf trophies were awarded permanently for the first time, the rotating plan being dispensed with this year. The trophy winners were J. I. Cummings, first vice-president & agency director Empire Life & Accident, men's low gross awarded by Kentucky Central; P. L. Hay, president Bankers Health & Life, men's low net awarded by Southern Life & Health; J. H. McCary, president Southern Life & Health, men's second low net; Mrs. I. M. Sheffield, Jr., ladies' low gross awarded by Home Beneficial; Mrs. J. I. Cummings, ladies' low net awarded by Bankers Health & Life, and J. S. Gould, president Reliable Life, and J. W. McCabe, United Life, Fla., who were tied for men's second low gross.

Mrs. E. H. Speckman was guest of honor at the ladies' bridge tournament and was presented with a beautiful pair of earrings by Mrs. G. R. Kendall, Mrs. H. G. Zelle won the bridge prize. The ladies were taken on a trip to historic spots and floral gardens, the meeting being held during garden week in Virginia.

Universal Is Host

Universal Life of Richmond was host to the entire conference at the Piney Point Club, located a short distance from the hotel. There to see everyone had a good time were R. F. Holman, president & treasurer; J. T. Smith, secretary & general manager, and K. C. Fowlkes, assistant treasurer, of the com-

pany. The three Virginia members, Home Beneficial, Union Life and Universal Life were hosts at a reception preceding the annual banquet.

Dr. Wagner said life insurance people should derive much satisfaction from their work because of the contribution of life insurance to the well-being of the individual. "Children," he asserted, "thank God for you folks." He said he pleaded with the members of his congregation to purchase life insurance. The initials of the conference, I.I.C., mean "individuals interlocking cooperatively." Taking the initials of E. W. Craig, president National Life & Accident, who presided as immediate past president and E. H. Speckman, president Kentucky Central, president, he stated that they signified "earth's wacky changes" were "evolving higher standards." Past presidents who were honored were R. Leal, vice-president & secretary Interstate Life & Accident, 1927-29; G. R. Kendall, president Washington National, 1929-31; E. T. Burr, actuary Durham Life, 1931-33; P. W. Jones, secretary-treasurer Bankers Health & Life, 1934-36, and E. L. Phillips, president Gulf Life, 1943-44.

Research work carried on at the National Institute of Health was described by Dr. Bradley. The taxpayer can feel real pride in the work being done in research by the various agencies at the institute, he declared. The institute owns 9½ grams of radium, the largest store in the world of this precious element, which is loaned without charge except for insurance to hospitals needing it throughout the country.

The convention entertainment committee functioned most efficiently with a membership consisting of E. H. Mearns, Union Life, Va., chairman; J. R. Anthony, Jr., Suwannee Life, and J. I. Cummings, Empire Life & Accident, activities; T. N. Kidd, Home Beneficial, and J. T. Smith, Universal Life Va., welcome, and was assisted by the ladies committee with Mrs. H. C. E. Johnson, chairman; Mrs. Bascom Baynes, Mrs. L. M. Sheffield, Jr., and Mrs. Martin B. Williams. Mr. Mearns was unfortunately unable to attend because of illness.

H. C. E. Johnson, president Interstate Life & Accident, presided at the annual banquet of the organization, by virtue of his position as chairman of the executive committee.

Kentucky Central Distributes Steffy Selection Manual

Complimentary copies of a new industrial underwriting manual were distributed to members of the Industrial Insurers Conference through the courtesy of Kentucky Central Life & Accident by W. L. Newton, vice-president. The work of E. W. Steffy, chief underwriter and manager claim department of that company, it is designed to give a comprehensive rating guide for underwriting industrial risks so that they may be accepted on a basis similar to ordinary risks, both standard and sub-standard. Mr. Steffy believes that the industrial companies will broaden their social services through scientific underwriting of such risks and dedicated his manual, the fruit of many years' work, to the conference.

While steady and consistent progress has been made in the proper underwriting of industrial risks, and one company has followed the practice for 11 years, Mr. Steffy believes that a manual will do much to clarify the thinking of such underwriting and will serve as the basis for speeding up the development of this field. It will serve as a constructive aid to the underwriter in identifying impairments and assigning the appropriate rat-

Five New Members Bring Conference Roster to 66

Five new members were admitted to the Industrial Insurers Conference at its annual meeting, bringing total membership to 66 companies, an all-time high. The new members come from all sections of the country and show clearly the nationwide geographical distribution of the membership. They are Commonwealth Life & Accident, St. Louis; Independence Life & Accident, Louisville; Provident Indemnity, Philadelphia; Texas Prudential, Galveston, and Virginia Life & Casualty, Richmond.

The officers representing the new members were N. S. Bender, president, and M. Lubin, secretary, Commonwealth L. & A.; W. P. Tate, president, and R. C. Day, vice-president, Independence L. & A.; R. W. Rogers, vice-president of industrial agencies, and R. L. Wallace, secretary, Texas Prudential, and E. L. Fidler, treasurer and actuary, Virginia L. & C.

Messrs. Bender and Lubin were accompanied by their wives and drove to Virginia Beach from St. Louis.

ings which present knowledge and experience indicate.

Life Company Employees Deserve Standard Benefits

Stevenson Outlines Security Programs, Points to Be Watched

E. B. Stevenson, executive vice-president of National Life & Accident, told



E. B. Stevenson

the conference that there are many life companies which have sold employee benefit coverages to many firms and yet have no real security program for their own personnel. Group life, disability benefits, hospitalization and pensions are matters of vital importance to employees of life insurance companies. In the

interest of efficiency, good employer relations and morale, such programs are just as good for life companies as they are for other enterprises.

In exhaustively covering the various employee coverages as applied to a life insurance company, Mr. Stevenson outlined a number of cautions. In connection with the primary coverage, group life insurance, with such groups as are usually found in the industrial field forces of conference members and with an average distribution of such field force as to age, it should be possible for the average company to give this coverage for contributions of less than 60 cents a month per \$1000. He said it is only reasonable that these contracts should include the privilege of converting to a permanent form if the agent resigns or is dismissed and that no evidence of insurability should be required, providing application for conversion is made within a reasonable time. He said it must be assumed that if the agent had not been provided the group insurance, he might have provided his own insurance under an individual policy which would have been permanent. If he should leave the company, he might not then be insurable, and it would be unjust to deprive him and his depend-

ents of protection afforded by the group insurance without giving him the opportunity to replace it.

He termed it a fairly common practice to include a provision which will continue part of the insurance, 20 or 25% after retirement of the insured employee. He said one variation of this is to provide for a gradually reducing amount of non-contributory cover after retirement.

In connection with temporary disability allowances, Mr. Stevenson said that while contractual and contributory benefits are desirable in most types of insurance, there are many who believe that in the field of disability, whether temporary or permanent, it is not one in which happy results will come from contractual plans. There is no similar objection to making hospitalization coverage contractual, because one is not likely to go to a hospital or undergo an operation for the sake of the hospital and surgical benefits, he said.

In connection with pensions for retiring personnel, Mr. Stevenson said that unfortunately too many companies still follow haphazard methods. He said, however, that a growing number of companies face the situation squarely and have established sound retirement plans under which the company, on the one hand, knows exactly what it is going to cost it to grant retirement allowances, and the employee knows all through his period of employment the basis upon which his post-retirement income will be figured.

Mr. Stevenson said each company has its individual problems, but as a practical matter, the range of age choices is limited. A retirement age later than 70 will cost little, but will hardly solve many problems. On the other hand, a retirement age earlier than 60 will seem unreasonably early to employees when they realize that a substantial reduction in income must be faced, and to the company when heavy cost is counted, not only of pensions themselves, but also of loss to the organization of employees at the height of their powers.

He said the more a company views its pension plan as a beneficent undertaking to take care of old employees who are unable to continue work, and the less weight given to the plan as a means to improve efficiency and morale by speeding up promotions and replacing employees who have slowed up with younger workers, the more likely the company is to postpone the retirement age as long as possible. When these views are reversed, the company will probably want to fix retirement age as early as possible.

Whatever the current cost, it should not be assumed that the company without a retirement plan is escaping the age.



A Background of Service

Those principles of cooperative action which underlie the structure of insurance, are equally fundamental to the success and value of the Industrial Insurers' Conference. This great organization is now entering upon its thirty-seventh year of service to our business, and the Washington National as a member company extends congratulations to the I. I. C. on a job well done together with best wishes for a productive future.

WASHINGTON NATIONAL INSURANCE COMPANY

CHICAGO

Executive Offices: Evanston, Illinois

George R. Kendall, President

INTERSTATE LIFE & ACCIDENT COMPANY

CHATTANOOGA, TENNESSEE

JOS. W. JOHNSON, M. D., CHAIRMAN OF BOARD

H. CLAY EVANS JOHNSON, PRESIDENT

LIFE—HEALTH—ACCIDENT

Another Year of Progress

HIGHLIGHTS FROM OUR 1946 ANNUAL STATEMENT

		INCREASE
ADMITTED ASSETS	\$ 2,980,344.27	23.12%
(ADMITTED ASSETS 1945)	2,420,743.81	
PREMIUM INCOME	\$ 1,926,746.66	20.30%
(PREMIUM INCOME 1945)	1,601,638.61	
POLICY NET RESERVES	\$ 2,314,351.40	25.03%
(POLICY NET RESERVES 1945)	1,850,975.03	
SURPLUS	\$ 366,078.65	19.26%
(SURPLUS 1945)	306,959.36	
INSURANCE IN FORCE	\$35,472,880.00	18.79%
(INSURANCE IN FORCE 1945)	29,860,913.00	

UNITY MUTUAL

LIFE and ACCIDENT INSURANCE COMPANY

Home Office:
Los Angeles 14, California

RALPH W. SMITH, SR.
President

One of the **STRONGEST** Life Insurance Companies IN AMERICA!

You can readily see this in "one easy lesson."

	OUR ASSETS
WHAT WE OWN	\$33,368,954.64
	LESS
	OUR LIABILITIES
OUR OBLIGATIONS	29,746,063.98
	EQUALS
CAPITAL AND SURPLUS	\$3,622,890.66

The strength of a life insurance company is largely determined by the ratio of its assets over its liabilities. The 100 largest life insurance companies in America combined, at the close of 1945, had an average ratio of 6.6% assets over liabilities. In 1946 the Home Beneficial had a ratio of 12% assets over liabilities. This means that for each \$100.00 of liabilities in 1946 the Home Beneficial had \$112.18 of assets. This high ratio of assets over liabilities is a reservoir of strength and security for policyowners. It is an outstanding record of conservative management and conclusive evidence that the Home Beneficial is one of the strongest life insurance companies in America.

Home Beneficial Life Insurance Company, Inc.
"The Home of Protection"

HOME OFFICE RICHMOND, VIRGINIA

PALMETTO STATE LIFE INSURANCE COMPANY

Industrial and Ordinary
Life, Health and
Accident Insurance



Ashley C. Tobias, Jr., President
Home Office: Columbia, S. C.

cost of such a plan. It is certain that companies are not going to turn their superannuated employees adrift without any income. Companies without any arrangement for retirement will either keep the elderly employees on the payroll performing their work inefficiently and disturbing the morale of more accurate personnel, or they will provide pensions on an arbitrary basis. Either course will be at least as expensive as the straight-forward course of providing

for these benefits currently.

The unfortunate part of either plan of putting off the evil day is that the cost will be deceptively low at first, but will increase progressively and will finally be almost prohibitively high. Those companies which feel that they can best serve their personnel by purchasing a group annuity plan from another company should do so; it is vastly better to purchase a plan from another company than to have no plan at all.

Stronger Legislative Interest Shown at Industrial Insurers Conference

(CONTINUED FROM PAGE 18)

& Health and president of the conference 1940-42. Mr. Keeble read the memorial for J. R. Cole, late president Home Beneficial, prepared by T. N. Kidd, assistant manager ordinary department Home Beneficial. The memorial for P. M. Estes, director Life & Casualty at his death and a former president, was given by H. N. Lukins, vice-president and general attorney Washington National. The memorial for G. W. Ford, former vice-president Kentucky Central, was prepared by E. H. Speckman, president of the company, and for J. C. West, former president of Missouri, by H. G. Zelle, president of that company. Because of the recent death of C. O. Milford, former president Franklin National, a memorial will not be read until the next meeting.

Easing Maldistribution

J. S. Gould, president Reliable Life, suggested in his thought provoking address on the "Maldistribution of Insurance" that more space be given on the industrial application to the insurance already owned by the applicant. That, he said, is as important as the physical condition of the prospect. The amount, plan, and mode of premium payment of present insurance and approximate income of the applicant should be included. He exhibited a survey record card used by Reliable Life to summarize the life insurance carried which is helpful in indicating the distribution of the insurance owned. He criticized some practices of industrial companies and said maldistribution is an evil which should be corrected.

No line of insurance is immune from proposals for the state to take over the insurance business, H. R. Gordon, managing director Health & Accident Underwriters Conference, declared. Accident and health is the most vulnerable at the moment and hence the most easily attacked. Life, fire and casualty insurance are all equally subject to the same arguments for state or national insurance.

Mr. Gordon said he did not view the future with pessimism. Changes will be made and should be made, but he said the accident and health business has the ability to look ahead wisely and suggest constructive changes that bene-

fit the public and the business. While it cannot remain passive legislatively, it should be constantly seeking new laws to improve the coverage, provide more protection and thereby serve a disability conscious public.

No man 40 years of age with an \$100,000 estate can afford not to give some of it away, J. F. Finlay, counsel Interstate Life & Accident and chairman laws and legislation committee, stated in commenting briefly on various legal aspects. He urged that advantage be taken of the privilege of giving away \$3,000 to as many people as the individual pleases during the year without payment of tax. Hearings will open in Congress starting May 20 on the amended railroad retirement act which would go into effect July 1. He predicted that income taxes would be cut across the board with a 20% cut in the lower brackets and 10% cuts in the higher income levels.

The manager is the key in solving the problem of agency turnover, Rufus White, agency manager Pilot Life, declared. The manager and assistant manager must be thoroughly sold on the program decided upon by the home office. The solution to agency turnover is a five-fold one: acknowledgement of its own responsibility by top management; recognition that the manager is the key; proper selection, training, stimulation and supervision by the manager; development of home office plans to help the agent; fair dealing.

Mr. White suggested that agents are not satisfied with their jobs because they are not earning a sufficient amount of money or that they are unhappy in their work. The cause of this is due to the fact he was not selected properly, was improperly trained, was improperly stimulated, or did not receive the proper supervision. The failure of the agent is a direct reflection of home office management and policy, either good or bad. If the agent's pay is raised, his standard of performance is reduced. Therefore, to raise the standard of performance, there must be better training, selection and supervision.

There is a big jump from the position of assistant manager to manager. Ordinarily, the assistant manager is familiar

THE BANKERS HEALTH & LIFE INSURANCE COMPANY

Macon, Georgia

P. L. HAY
President

PEYTON W. JONES
Secretary and Treasurer

"NOT THE LARGEST BUT AS
STRONG AND RELIABLE AS ANY"

May 16, 1946
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AMONG COMPANY MEN

Columbus Mutual Names R. A. Clark as Controller

Columbus Mutual Life has appointed R. A. Clark controller, a position newly created to expedite business. Mr. Clark has had 18 years of experience in three life companies and a consulting actuarial firm. For the past few years Mr. Clark has been actuary of Farm Bureau Life.



R. A. Clark

After graduating in 1927 from Washburn College with Phi Beta Kappa scholastic and Tau Kappa Alpha forensic honors, Mr. Clark held a teaching fellowship in the University of Nebraska and in 1935 received his master's degree in actuarial science from the University of Michigan. He is a past president of the Insurance Accounting and Statistical Assn. and served as a member of the Ohio pension program commission to study firemen's and policemen's pensions.

Mutual Life Makes Two Promotions in New York

NEW YORK—Harry Gillis has been promoted to superintendent of the policy loan division of Mutual Life and E. W. Wider has been appointed office manager of the central service office in New York City.

Mr. Gillis has been acting superintendent since December, 1946. For 10 years prior to that he was superintendent of the central service office in New York. He joined Mutual Life in 1908 as a clerk in the Boston agency. Since then he has served in agencies in Atlanta, Albany, and Chicago.

Mr. Wider has been acting head of the central service office in New York City since December, 1946. He has been with Mutual Life since 1922 in the central service office, Cunningham's agency

in New York City and in the home office. He was named an agency assistant in the home office last June after leaving the navy.

R. H. Richards Advanced

Riley H. Richards has been elected assistant superintendent of bonds of Equitable Life of Iowa. He joined the company March 1 following five years as a financial analyst for the securities and exchange commission and five years as a security analyst for United States Steel Corp. and a New York trust company.

Little to Prudential H. O.

John M. Little has been appointed regional manager in the home office of Prudential. He will have supervision over industrial sales and service activities in New England. He has been manager at St. Johnsbury, Vt.

Weltmer Again Editor

Henry J. Weltmer has resigned as agency secretary of National Fidelity Life, Kansas City, to operate several Kansas newspapers, including the Nor-

only with the activities of one manager and these may not be what the home office wishes him to follow as a pattern. Pilot Life brings the assistant manager who is being considered for promotion to the home office for a three-month training period. He pays his own way there by doing jobs the home office wants done, such as becoming an instructor in an home office school. He is given a chance to observe the management at the home office, in various districts and is finally sent to a L.I.A.M.A. management school. It is not good to shoot a new manager into a district and hope for the best, he observed.

A comprehensive picture of industry state regulatory legislation to bring insurance supervision into conformity with P. L. 15 was given by B. E. Shepherd, manager Life Insurance Association of America. Pointing out that the fair trade practices bill is of most concern to the life business, he said it may be used as a back-door method of regulating fire and casualty rates because of the existence of inadequate rating laws and suggested that it might also be used to regulate life insurance rates for which there is complete absence of rate control statutes. While such a situation was never intended or contemplated and thought to be a highly unlikely possibility, it should not be ignored.

Under the all-industry program, there has been substantial progress made toward an adequate strengthening of

(CONTINUED ON LAST PAGE)

Beach Sidelights

E. H. Speckman, president Kentucky Central and retiring conference president, and Mrs. Speckman drove from Louisville and were accompanied for the first time by their daughter Elaine, who was a nurse's aide during the war.

R. W. Baxter, president Rio Grande National, was accompanied by the oldest of his four sons, R. P. Baxter, vice-president and agency supervisor. Three of the sons, R. P., T. B., and M. W., are associated with the company and the youngest, W. B., is in his second year at Texas Tech.

E. H. Mears, president Union Life, Va., general chairman of the convention committee, was unable to attend because of a minor operation performed the week prior to the meeting.

H. M. Stewart, executive vice-president Prudential, was a guest and took a bow from the floor.

O. T. Hogan, president United, and his son, J. R. Hogan, vice-president United, drove to Norfolk, which they looked over with the intention of opening a district office there shortly. They were favorably impressed with the prospects. United is expected to make \$75,000 industrial increase this year.

Commissioner Bowles of the Virginia department was a guest and made a few brief remarks.

W. J. Hamrick, agency vice-president Gulf Life, was a speaker at the Southern Round Table of the Life Advertisers Association meeting which was holding its sessions at the same time as the conference.

U. S. Oulliber, executive vice-president, and J. T. Reynolds, executive assistant Thorn Southern Life, took a plane to Washington along with H. G. Zelle, president Missouri, and Mrs. Zelle. Mr. Reynolds planned to visit his mother in New York, whom he had not seen for some time.

The nominating committee consisted of G. R. Kendall, president Washington National, chairman; E. W. Craig, president National Life & Accident; P. W. Jones, secretary-treasurer Bankers Health & Life; J. R. Leal, vice-president & secretary Interstate Life & Accident; J. W. Scherr, chairman Inter-Ocean Insurance.

E. R. Le Corgne, president Acme Life, and Mrs. Le Corgne went on to New York for a brief holiday after the meeting. The Le Corgnes have five sons and a daughter and this is the first time they had been away from their children.

R. W. Smith, president Unity Mutual, Los Angeles, the only industrial company in California belonging to the conference, planned to go to Louisville on business after the meeting. Mr. Smith planned to return to his desk while Mrs. Smith had a reunion with their daughter, Beverly, a student at Ward-Belmont, Nashville, afterward.

M. B. Williams, executive director of the conference, was guest of honor at a "Virginia Gentleman" party tendered the trade press by J. Linwood Rice, public relations counsel, Richmond, who assisted Mr. Williams with publicity details.

R. F. S. Hazlett Named Asst. Actuary by Shenandoah Life

Shenandoah Life has appointed R. F. S. Hazlett as assistant actuary. A native of New Brunswick, Canada, he received his A.B. degree at the University of New Brunswick, having specialized in mathematics. From 1933 to 1940 he was with the dominion insurance department at Ottawa and later was employed in the actuarial and mathematical departments of the Massachusetts Mutual Life. In 1941 Mr. Hazlett became assistant actuary of Maritime Life where he remained until going to Roanoke. He served as a navigator in the royal Canadian air force for three years. He is an associate of the Actuarial Society of America and of the American Institute of Actuaries.

M. J. Mullen Returns

Martin J. Mullen, director of publicity of General American Life, has resumed his duties at the home office after an absence of four years. A major in the marine corps, he was in charge of public relations work for a five-state area, also handling procurement, recruiting, transportation and rehabilitation. While on terminal leave he became ill and a major operation delayed his return.

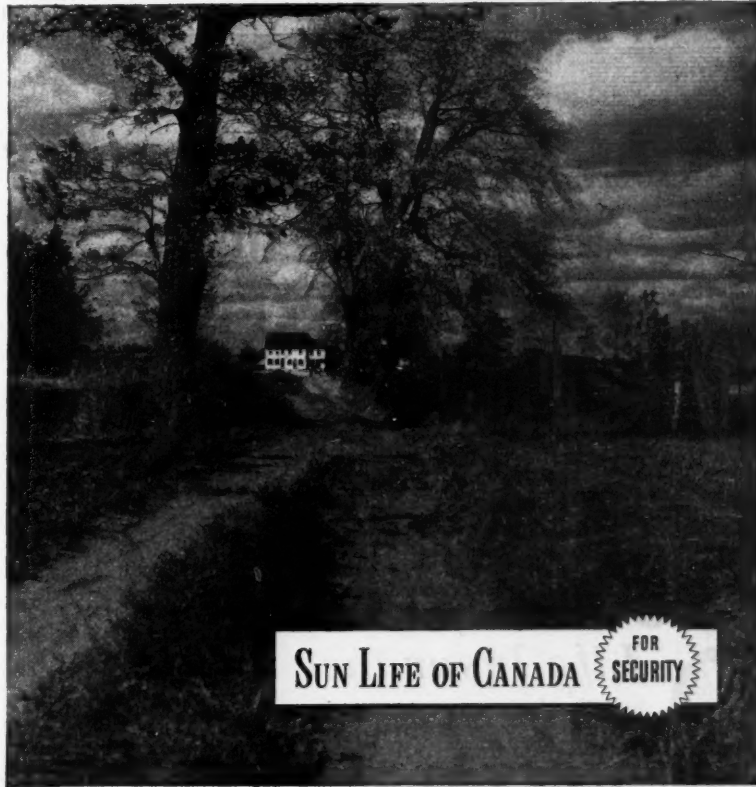
Harry E. Nelson, editor of "Leadership" and in charge of public relations for the past three years during Mr. Mullen's absence, now is devoting his entire time to advertising and sales promotion literature.

Carnochan to Union Mutual

John R. Carnochan has been named director of sales training of Union Mutual Life. He has been in the training division of Equitable Society, which he joined following his graduation from Princeton. He was with that company in Atlanta, Syracuse and Portland. He had three years army service, being discharged as a captain.

R. H. Christman, secretary of the Marshall Insurance Agency, Abilene, Kan., has resigned to join National Fidelity Life of Kansas City as supervisor for southeast Kansas with headquarters at Pittsburg. His agency has represented National Fidelity Life.

ONE SURE ROAD to security and contentment
which takes care of you and your family today
... and tomorrow ... is planned economy
offered by modern life assurance services.



SUN LIFE OF CANADA

FOR
SECURITY



Ray E. Sutton, Reinsurance Director

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tonville "News," Meriden "Advocate," and Perry "Mirror." He was for a time associate editor of the "Insurance Magazine" of Kansas City, and previously had operated the Henry J. Weltmer Sons agency at Hiawatha, Kan., with his father for eight years. During that time he was active in the affairs of the Kansas Assn. of Insurance Agents.

Rejoins Bankers Home Office

R. L. Brockett has joined the sales training division of the Bankers Life, Iowa, and will assist in the preparation of sales promotional material and in conducting the sales training program for the field force. A native of Des Moines, Mr. Brockett was employed in the tabulating division prior to entering Drake University in 1942. He returns to the company from Oklahoma City, where he was an assistant agency managerial sales conference for Arizona and developing sales promotional material.

CHANGES

Minn. Mutual Names Four General Agents

Minnesota Mutual has appointed as general agents Raymond G. Gregory, Oak Park, Ill.; T. R. Nagle, New Orleans, R. H. Berglund, Bloomington, Ill., and J. S. Clarke, Lincoln, Neb.

Mr. Gregory has been in the life insurance business for 26 years, in recent years with United Benefit Life and Mutual Benefit Health & Accident, having built up a record as a highly successful producer. He is a graduate of the for-

mer Carnegie Tech life insurance course.

Mr. Nagle has 14 years experience in all phases of life insurance. The past three years he has been associated with Home Life of New York as agency field assistant. Mr. Berglund was formerly with Metropolitan Life and Bankers Life & Casualty. Mr. Clarke served in the army air force. Before that he had been in the life insurance business.

Mutual Life Names Canadian Managers

Mutual Life of New York has appointed Robert S. Bawlf manager of the newly established agency in Vancouver, Canada, and T. Harry Bulloch manager of the Winnipeg agency. Installation ceremonies were held for Mr. Bawlf on May 12 and for Mr. Bulloch on May 9.

Mutual Life ceased writing new business in Canada in 1932, and last month resumed active operations in that country.

Mr. Bawlf has been training assistant in the agencies department of Mutual Life. He is a native of Winnipeg, and attended Georgetown University and the University of Manitoba.

Mr. Bulloch, also a native of Winnipeg, is a graduate of Wesley College. He joined Mutual Life at Winnipeg in 1922. In 1945 he was appointed a training assistant at the home office.

Reliance Life Sets Up Northwestern Department

Reliance Life has extended its field operations by establishing a northwestern department with headquarters at 824

Central building, Seattle, with L. W. Krikava as manager. A complete branch office setup with a cashier will be installed in Seattle as soon as possible. Mr. Krikava formerly was agency supervisor in Fresno for the northern California department. He was born in Cottonwood, Cal., in 1915, entered life insurance in 1937 and joined Reliance as a district manager in 1946. He is a former president of the Central California Life Underwriters Assn. Reliance representatives who will be included in the new northwestern department include Richard Barrett, B. E. Browne, K. R. Greene, V. C. Heiden, Donald MacDonald, District Manager H. A. Malmberg and Orval E. Wiltse of Seattle; Kenneth Gideon of Winslow and District Manager J. W. Torrence of Longview, Wash.

Hammer Ashland Manager

North American Life & Casualty has appointed Elmer O. Hammer manager at Ashland, Wis. He formerly was with Metropolitan Life at Ashland and Ironwood, Mich.

Wilson to Vancouver

John A. Clark, Travelers manager at Vancouver, B. C., has retired and is succeeded by George B. Wilson, assistant manager at Winnipeg.

Welch to Baton Rouge Post

J. A. Welch has been named district manager at Baton Rouge for Penn Mutual Life to succeed the late George Reddy. Mr. Welch is an army air force veteran and is active in the Rotary Club.

J. W. Piner to Topeka

Joe W. Piner has been named manager of Jefferson Standard Life at Topeka, succeeding Hudson Lansdell, who has gone to Jackson, Miss.

Balt. Life Advances Two

Philip J. Haushalter, agent in Pittsburgh, has been placed in charge of a staff in that district, and John F. Dickard, agent in Baltimore, has been appointed a staff superintendent in his district by Baltimore Life.

Stevens in Cleveland Post

Great-West Life has appointed Harold E. Stevens supervisor of the group and brokerage departments at Cleveland.

Grant to Supervise Branch

Wesley McD. Grant has been appointed supervisor of the Rochester office of Provident Mutual. He will assist J. Stinson Scott, general agent for western New York.

Mr. Grant is a graduate of the University of Rochester and a member of Alpha Delta Phi fraternity. He reentered life insurance with Mr. Scott after receiving his army discharge as a captain and was the leader in sales volume for the Rochester office in 1946.

Robert H. Magruder, who has been an outstanding personal producer at Mexia, Tex., for Amicable Life, has been appointed district manager at Beaumont.

Joseph H. Hirschbach has been appointed a district agent of Old Line Life at Fond du Lac, Wis., in the general agency of Grant J. Nault.

Franklin Agencies "Battle"

As a result of the competitive spirit aroused when the southern California division of Franklin Life challenged the Alabama division to an April sales contest, a rash of such battles broke out between various agencies and divisions. The contests have been responsible for an increase of 200 to 300 sales per week over previous averages this year.

POLICIES

Union Central to Adopt 2 1/4% Reserve Basis Sept. 1

Union Central Life on and after Sept. 1 will issue all new policies in accordance with the commissioners' standard ordinary table with interest at 2 1/4%.

Settlement options will be based upon a guaranteed rate of 2%, except the deferred annuity portion of option 2 which will be 2 1/2% guaranteed.

A new policy series will be introduced at the time the changes become effective.

The company has also announced that dividends will be published only one year in advance. The new rate book will contain no dividends, but a separate dividend book will be issued setting out the first dividend to be paid under the new policy series.

Aetna Life C.S.O. Policy Data

Aetna Life, on June 1 will issue a new series of policies based on the C. S. O. net level premium reserve basis. Non-participating policies are on a 2 1/2% basis; participating, 2 1/4%. Following are non-participating premiums and cash values for some of the forms which will be issued. The participating premiums and cash values will appear in next week's edition.

Non-Participating Annual Premiums

Age	Ord. Life	20 Pay. Life	20 Year End.	Double Prot. 65	Double Prot. 70	Double 5 Prot. Year
10	12.14	22.23	46.15	...	...	...
15	13.53	24.18	46.66	...	...	...
20	15.19	26.32	46.76	23.41	17.26	6.11
25	17.11	28.62	46.79	25.85	19.56	6.32
30	19.60	31.35	47.07	29.03	22.81	6.74
35	22.68	34.42	47.53	32.84	27.22	7.39
40	27.01	38.42	48.84	37.74	34.06	9.43
45	32.65	43.27	51.02	44.03	44.03	12.29
50	40.08	49.35	54.58	52.39	...	17.55
55	50.03	57.40	60.40	62.15	...	25.31
60	62.77	68.50	69.65	...	...	37.83
65	79.95	...	...	...	...	...
70	104.36	...	...	...	...	...

Non-Participating Cash Values

Ordinary Life						
Age	2nd	5th	10th	15th	20th	
10	...	16	62	113	169	
15	...	23	76	134	197	
20	...	30	91	158	229	
25	...	39	109	185	265	
30	...	49	130	215	304	
35	...	61	153	249	344	
40	14	75	179	285	391	
45	20	90	208	324	437	
50	27	106	238	365	483	
55	34	125	270	406	527	
60	42	144	303	445	568	
65	51	163	334	481	602	
70	59	182	362	512	631	

20 Payment Life						
Age	2nd	5th	10th	15th	20th	
10	...	7	8	166	283	414
15	...	11	72	186	313	457
20	...	15	82	206	346	503
25	...	19	93	229	381	552
30	...	23	105	252	417	603
35	...	28	116	276	453	654
40	...	33	128	299	489	706
45	...	38	140	321	522	754
50	...	42	151	341	550	800
55	...	47	161	357	571	841
60	...	51	170	369	584	876

20 Year Endowment						
Age	2nd	5th	10th	15th	20th	
10	...	52	181	419	690	1000
15	...	53	181	418	689	1000
20	...	52	181	418	689	1000
25	...	53	181	417	688	1000
30	...	53	181	416	686	1000
35	...	52	180	415	684	1000
40	...	53	180	413	680	1000
45	...	53	180	410	675	1000
50	...	53	179	406	667	1000
55	...	54	180	401	656	1000
60	...	55	181	396	640	1000

Clifford O. Boggess, editor of publications of California-Western States Life, has returned to his office after a two-weeks' convalescence following an appendicitis operation.

What this country needs is more mutual trust ★

★ **MUTUAL TRUST** is also a Life Insurance Company



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MONUMENTAL LIFE INSURANCE COMPANY

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ACCIDENT

Cal. Compulsory Health Bill Believed Doomed

SAN FRANCISCO—With the action of the senate judicial committee in tabling Governor Warren's state compulsory health insurance bill, which would place doctors under a state board to operate the plan and including many other features objected to by physicians, business interests and insurance, it appears now to be doomed for complete defeat at this session of the California legislature. Attempts are being made to put the companion assembly bill through but in view of the decisive action by the senate committee, it is probable that the measure will meet the same fate in the assembly committee, to which it was referred after being amended extensively.

Newark A. & H. Men to Hear about "Screwball Selling"

The Newark Accident & Health Underwriters Assn. will meet for lunch, Tuesday, May 20, at the Newark Athletic Club. The guest speaker will be F. A. Ditmars, president of the Life Insurance & Trust Council of North Jersey, and chairman of the legislative committee of the New Jersey State Assn. of Life Underwriters. He is with the Mercer Agency of Massachusetts Mutual in Newark. His topic will be "Screwball Selling," his theme being that unorthodox methods, coupled with a reasonable use of humor, not only help sales, but make selling fun. The association's outing will be June 17.

To Boost Health Coverage

Insurance and medical leaders will join forces the week of May 19-24 to stage San Francisco's voluntary health insurance week observance. F. V. Keesling, president West Coast Life, will be chairman of the event, sponsored by the California committee for voluntary health insurance.

G. W. Kemper, Fireman's Fund Indemnity, will address some 400 business, civic and professional representatives at an inaugural dinner May 19. Dr. J. W. Cline, president California Medical Assn., also will speak, as will Leon Happell, past state commander American Legion, and Ned Burman, member of the California committee. Garret McEnerney II, San Francisco attorney, will preside. San Francisco's will be the 35th county campaign conducted by the California committee.

Columbus A. & H. Men Elect

The Columbus (O.) Assn of Accident & Health Underwriters has elected Warren L. Schwochow, Beacon Mutual Indemnity, president; J. H. Garret, Business Men's Assurance, vice-president, and Albert E. Richey, Mutual Benefit H. & A., secretary-treasurer. New directors are Bryan McCullough, general agent, and Earl W. High, Occidental Life.

George H. Saville, director of public relations of the Ohio State Medical Assn., spoke on "Uncle Sam, M.D."

Movies at Milwaukee

At the May meeting of the Accident & Health Underwriters of Milwaukee two movies were presented under the direction of Alfred K. Perego, Wisconsin National Life, past president. One was an Elmer Wheeler film, "Sales Technique," and the other "The Search for Security," produced by the Institute of Life Insurance.

Miss Haskell Elected President

Miss Margaret Haskell, Loyalty group, was elected president of the Chicago women's division of the National Assn. of Accident & Health Underwriters at the inaugural meeting.

Other officers are Shirley Peterson, Conkling, Price & Webb, vice-president; Irene Cada, Continental Casualty, secretary; Gertrude Bonkowski, Moore, Case, Lyman & Hubbard, treasurer and Carrie Grae, Hooper-Holmes, publicity chairman.

The group has 19 members. Meetings are planned for the first Thursday of each month.

Speaker was E. H. O'Connor, managing director Insurance Economic Society.

National Fidelity Life of Denver has applied for admission to California to write disability lines only. It is affiliated with United Insurers Service Co. of Los Angeles, which is named attorney for service. The original member of the group was United Insurers, a reciprocal.

COMPANIES

Empire Life New Okla. Company; L. A. Sale Pres.

Empire Life of Oklahoma City has been formed by a group of Oklahoma business men. Lewis A. Sale, president and manager, was for ten years with Standard Life of Oklahoma City. The financial setup includes \$50,000 paid in capital and \$100,000 paid in as surplus, common stock of \$1 par value being sold at \$3 a share.

W. H. Hoster, president Star Manufacturing Co.; R. Lewis Barton, operator of a string of moving picture theaters, and Neal Barrett, vice-president and public relations director of the Oklahoma Railway Co., were elected vice-presidents and George H. McElroy, attorney, secretary-treasurer and general counsel.

Others on the board are Roy Jones, grocer; L. C. Pollock, Federal Savings & Loan Assn.; Ralph Ball, Hudgins-Thompson-Ball; architects and engineers, and G. H. Westby of Westby Seismograph Co. All officers and directors are from Oklahoma City except Mr. Westby, who is from Tulsa.

Guaranty Reserve Life of Colorado Reorganized

DENVER—Guaranty Reserve Life of Fort Collins, Colo., is reorganizing following the suggestion of Commissioner Kavanaugh. It has about 75,000 policyholders in Colorado and New Mexico. Part of its assets are invested in slow-moving farm mortgages, which are thought to be good, but which require careful handling, according to Mr. Kavanaugh. John Sherritt of Albuquerque, who did not seek reelection as president at the annual meeting, has been succeeded in that office by Otto Friedrichs, Denver insurance attorney. New directors were named to work with him in the reorganization.

Representatives of the Colorado department are in New Mexico appraising lands in which company funds are invested, and examiners are going over its books to learn its exact financial condition. Mr. Kavanaugh said he felt sure the company could be put back on a sound basis within a reasonable time. "In my opinion there is no cause for alarm on the part of the policyholders," he said. Mr. Friedrichs said: "Negotiations now are under way with substantial financial interests to take over the permanent management of the company and it is expected that this will be done in a very short time."

Coastal States Life on Stock Basis; New Directors

ATLANTA—Coastal States Life, which converted to a stock company Jan. 1, under Georgia laws, has completed organization and directors have been named. President C. H. Poindexter states that they include Jack Salvador, Toccoa, Ga., vice-president and general manager LeTourneau Co.; Fred

F. Phillips, Siluria, Ala., president Buck Cotton Mills and Valley Mills, Inc.; William G. Dunn, Parrott, Ga., capitalist; C. E. Dorsey, Elba, Ala., president Dorsey Trailers, Inc., and Dorsey Trailer Export Co.; Dr. Thomas A. Dover, physician, Athens, Ga.; A. B. Tanner, secretary Coastal States Life; W. K. Gunter, Jr., vice-president Derry Damask Mills, Gaffney, S. C.; Dr. Hugh E. Weyman, physician, Columbia, S. C.; J. R. Kendrick, vice-president Coastal States Life; G. E. Hutchinson, Baxley, Ga.; M. F. Brice, president Brice Banking Co., Vidalia, Ga.; D. F. McClatchey, attorney, Atlanta, Ga., and Mr. Poin-

dexter.

The company began business as a stock company with \$108,440 capital and \$100,998 surplus, assets of \$1,053,719 and insurance in force of \$17,090,000. It is now licensed in Georgia, South Carolina, Alabama, Florida and Louisiana.

Gibraltar Life Incorporated

Gibraltar Life of Dallas has been incorporated as a stock legal reserve company and has been licensed to begin business May 25 with an authorized capital of \$250,000 and surplus of \$50,000. The company will write non-



New Business Costs

Average about the same for the Western Life as for other companies of our size and age. But the distribution pattern is different. Little goes for swank. The savings are channeled right into our Fieldmen's contracts. So is it any wonder that the agent who writes good business earns an above-average income per thousand?

WESTERN LIFE INSURANCE COMPANY

HELENA

Since 1910

MONTANA

Insurance in Force Over \$124,000,000

R. B. RICHARDSON
President

LEE CANNON
Agency Vice President

Your BIGGEST and BEST MARKET



The birth rate for 1946 reached a new high and 1947 is expected to even surpass this record. Life underwriters can render a lasting service to these future citizens and at the same time increase their own income by selling our attractive JUVENILE POLICY

For particulars and sample folder write to
WM. D. HALLER, Vice President and Agency Manager



UNITED
LIFE AND ACCIDENT
INSURANCE COMPANY

Concord, New Hampshire

par ordinary with both waiver of premium and double indemnity benefits. It will use the American experience 3% on the Illinois standard table, and American experience 3 1/2% on full preliminary term reserve basis.

William E. Nettle is president and W. T. Weaver is secretary.

Must Enter Cash Transactions

The Illinois department, following an examination of Valley States Life, Chicago, has ordered the company to record all cash transactions in the book of accounts. The report states that the company has made deposits and check withdrawals without making entries.

The company has assets of \$3,763 and surplus of \$1,161. Insurance in force is \$66,130, a decrease since the last examination.

Reserve Life of Dallas has applied for a license in California.

ASSOCIATIONS

Israelson New Utah President

SALT LAKE CITY—At the annual sales congress of the Utah Assn. of Life Underwriters, John A. Israelson, Beneficial Life, Hyrum, was elected president, succeeding Fallas M. Kelly, Mutual Life; M. H. Ridges, New York Life, Salt Lake City, vice-president, and Melvin B. Squires, Pacific National Life, Logan, secretary.

"Life Insurance—a Basic American Institution" was the theme for the congress. It started with a breakfast sponsored by the association's Quarter Million Dollar Round Table. Reed W. Brinton, New York Life, was in charge.

At the opening session Dwight L. Clarke, president of Occidental Life and president of the American Life Convention, spoke on "Security in the American Tradition." He called for a defense of free enterprise. "Our dynamic economy," he said, "produced our high standard of living, one of its fruits being the institution of life insurance, which, in turn, has fostered and made secure that same high living standard." He predicted in the years to come a greater need for insurance to cover disability, sickness, old age, and

"even, perhaps, some form of unemployment insurance."

Three 15-Minute Talks

Three 15-minute talks were given by John J. Shilling, Home Life; Mr. Ridges and F. Edward Walker, United Benefit Life.

Stanley J. Stephenson, executive secretary Utah Foundation, non-profit tax study group, spoke at the luncheon on "Can We Buy Our Way to Contentment?" He said there is "too much government spending," adding "expensive use of government funds is an illusory philosophy, one that will lead to a gallop into socialism if not checked."

The afternoon session featured an estate planning seminar, with Jack W. Lawrence, Salt Lake City ordinary manager of Prudential, as moderator. This was followed by a "Quarter Million Round Table Hour," participants being Oliver L. Richards, Metropolitan; E. E. Vandehei, Equitable Society, and Mr. Brinton.

The Beneficial Life ladies' chorus sang at the luncheon.

Forum at Oakland to Present 26 Speakers

A life insurance forum, consisting of six panels and two general sessions, with 26 speakers, has been arranged by the Oakland-East Bay Life Underwriters Assn. and the Oakland C. L. U. chapter for May 22.

The theme is "New Problems—New Markets—New Methods." At the opening session Rilea W. Doe, vice-president of Safeway Stores, will speak on "Don't Be Your Age." At the closing session Dr. Ira B. Cross, professor of economics at the University of California, will talk on "The Economic Outlook."

The panels and the participants will be:

"Time—Friend or Foe," Dick Benofsky, Mutual Life; Edwin T. Golden, New York Life; Elmer E. Scherf, California-Western States Life.

"Make Your Prospecting Pay," Glenn I. Pierce, State Farm; H. L. Breakenridge, Equitable of Iowa; George B. Pennabaker, Mutual Life, and R. M. Henderson, sales promotion manager, West Coast Life.

"Selling the Average Man," James Uren, Equitable of Iowa; Maurice Smith, Northwestern Mutual; Irving Korb, New York Life, and E. N. Ness, Travelers.

"The Debit Man in 1947," George W. Brown, John Hancock; C. L. Monaghan, Metropolitan; F. D. Smith, John Hancock, and Thomas Hidgson, Metropolitan.

"Be Prepared for the Big Buyer," F. W. Dedman, New England; Bert Williams, Mutual Life; D. S. Kamp, New England Mutual and Samuel Taylor, attorney, who will discuss community property and life insurance.

"Programming Can Be Easy," George Mortensen, Equitable Society; Herbert Hughes, New York Life; Don Burckhalter, Mutual Life; Paul Otey, Penn Mutual, and Ben Bostick, general broker.

Ream Slated to Head Pittsburgh Association

The Pittsburgh Life Underwriters Assn. has nominated for president M. Jay Ream, general agent Mutual Benefit Life; first vice-president, C. R. Gies, Penn Mutual; second vice-president, H. S. Brownlee, Equitable of Iowa; treasurer, H. H. Chase, Aetna Life; directors, D. W. Hooton, John Hancock Mutual; P. Fred Kamens, Northwestern Mutual; H. H. Linn, Prudential; C. Robert Schar, State Mutual; F. J. Stevenson, Equitable Society.

Fred H. White, Connecticut Mutual, Buffalo, will speak at the May 22 luncheon meeting on "Prospecting Had Me Licked."

Wilson Indiana President

Loyal B. Wilson, Mutual Life, South Bend, was elected president of the Indiana Assn. of Life Underwriters, succeeding Oren D. Pritchard, Union Central, Indianapolis. Hugh Willmore, Vincennes, and Herman J. Havens, Indianapolis, are vice-presidents; Lloyd Paulin, Anderson, secretary; J. R. Townsend Sr., national committeeman; Miss Lucille Pryor, executive secretary and treasurer.

The association now comprises 21 local associations with a membership of 1,800.

Kansas City Congress May 17

The Kansas City Life Underwriters Assn. will hold its annual sales congress May 17 at the Hotel President. There are five scheduled speakers.

Those on the program are: George L. Maltby, Equitable Life of Iowa, Kansas City, Kan.; Adam Rosenthal, district manager General American Life, St. Louis; Robert P. Goynne, Mutual Life, Little Rock, Ark.; Elmer C. Moore, New York Life, Wichita, and A. R. Jaqua, Southern Methodist University.

Northern N. J. Slate

NEWARK—Nominations have been announced for officers of the Life Underwriters Assn. of Northern New Jersey, to be elected at the annual meeting next month. They are: President, Saul S. Vort, Prudential, vice-presidents, R. Barney Greene, Connecticut General Life, and Harry O. Rasmussen, Penn Mutual; secretary, David A. Brumfield, Phoenix Mutual; treasurer, J. Robert Dean, Phoenix Mutual; national committeeman, Philip J. Torsney, Metropolitan.

Elect at San Antonio

New officers of the San Antonio Assn. of Life Underwriters are: J. I. Jordan, New England Mutual Life, president; Walter W. Windsor, Minnesota Mutual Life, vice-president; Bert O. Baetz, Prudential, secretary; E. J. Wernette, National Life & Accident, treasurer.

An explanation of the benefits provided under the social security laws was given by L. E. Bradford, manager of the San Antonio social security office.

Membership Drive on Coast

Charles E. Cleaton, Occidental Life, Los Angeles, N. A. L. U. trustee, addressed the San Jose Life Underwriters Assn. on "What Does It Take to be a Successful Underwriter?"

Mr. Cleaton also met with officers of the San Francisco association and outlined an intensive membership campaign. One feature will be a concerted effort to enlist a number of the several hundred general insurance brokers who do a substantial volume of life insurance.

Wichita Falls, Tex.—Charles E. Collins, United Benefit Life, is the newly elected president. Vice-president is Dock E. Durham; secretary-treasurer, J. V. Harrison.

Mr. Collins succeeds Harrison Creed as president. Both will be delegates to the state convention at Houston, June 5-7. George Brooks, manager for Southwestern Life at Fort Worth, spoke.

Dubuque, Ia.—Don Ross, merchandising manager of "Successful Farming" magazine, discussed the farm market and pointed out that improved farming practices have made the farming industry one of the largest in the country.

try one of the largest in the country.

Milwaukee—H. R. Smith, Purdue University, discussed a technique he has developed for market analysis.

Durham, N. C.—W. R. Draughon was elected president to succeed Willis G. Whichard; J. C. Lentz, vice-president, and Walter Everiss, secretary.

Speakers were W. T. Bealy and George Elliott of Raleigh, president and membership chairman, respectively, of the state association.

Nebraska Panhandle—Jack Wheat Gering, was elected president at the annual meeting at Alliance. Ivan Childs is vice-president, and H. E. Early secretary-treasurer.

Speaker was John A. Carr, manager at Omaha for Equitable Society.

Pittsburgh—P. Fred Kamens, Northwestern Mutual, Pittsburgh, will talk at "Creative Selling" at the May 26 dinner meeting of the Beaver Valley branch at Beaver Falls.

Washington, D. C.—William B. Ruple, manager Metropolitan Life, is the new president. First vice-president is Charles P. Suter, Berkshire Life; second vice-president, William J. McCausland, Acacia Mutual. New directors are Mr. Suter, Joseph A. Marr, Penn Mutual; Charles R. Jones, State Mutual. They will be installed at a meeting June 12.

The more than 250 members and guests heard Harry S. Redeker, secretary Fidelity Mutual Life, discuss problems in handling estates.

Jackson, Mich.—Earl J. Engle, dean of local life men with 30 years' experience in Jackson, described early days of the association in 1920, in a talk at a "past presidents' meeting." He advised young members to "have a vision of the bigness of your job and a sincere desire for noble service to your clients."

J. J. Crowliver of veterans' administration discussed changes in N. S. L. I.

Roanoke, Va.—Frank L. Savage, Metropolitan Life, spoke on "History of Industrial Life Insurance"; John F. Proffitt, Life of Virginia, on "How an Industrial Agency Operates," and H. J. Baker, People's Life, "Selling Larger Policies on the Debit."

Omaha—E. L. Smith has been nominated for president; C. F. Eisenhart, vice-president; Roy K. Barnes, secretary; Lloyd V. Clark, treasurer; Will P. Noble, national committeeman, and Corwin L. Hulbert, state committeeman. The election is June 19.

Toledo—Lowell L. Newman, Penn Mutual, Fort Wayne, Ind., spoke Thursday on "Maintaining Production."

Cincinnati—Lloyd Ramsey, leading producer for State Mutual, Memphis, will speak May 16 on "Minor Keys in Doing a Major Job." This will be the closing luncheon speaker of the year, the annual outing taking the place of the meeting in June.

Austin, Tex.—New officers are: R. N. Lewis, Great National Life, president; Ben P. Atkinson, vice-president; Catherine Bailey, Great Southern Life, secretary; W. H. Waters, American Home, treasurer. Charles Gaines, assistant director of the school of life insurance marketing, Southern Methodist University, told how life insurance solves the spiritual, social, physical and economic problems of man.

Topeka—Perry Pitcher, trust officer of Central Trust Co., Topeka, spoke on "Trust and the Underwriter." Assisting in a discussion period which followed were Marlin Casey of Columbian Title & Trust and John Kirk of National Bank of Topeka.

Indianapolis—Herbert R. Hill, Life of Virginia, Richmond, N. A. L. U. trustee, will speak May 22.

Lynchburg, Va.—Thomas F. Harwood has been named president; N. T. Dowdy and T. M. Funk, vice-presidents, and George G. McClenny, secretary.

Wanted for San Francisco

Old line mutual New England life company wants a General Agent between the ages of 32 and 40 to head an established agency for San Francisco and Northern California. Reply in confidence giving full details. Address Box L-85 THE NATIONAL UNDERWRITER 175 West Jackson Blvd., Chicago 4, Ill.

WANT ADS

ATTENTION—Progressive Life Company AVAILABLE

Man under 45 with proven record in Agency work both field and Home Office with major company. Twenty years experience—Sales, Recruiting, Training, Managerial and Agency building. Ten years traveling representative with Agency Department. Best references regarding character and ability. Capable of heading Agency Department of sound progressive life and accident and health company. Confidential interview solicited. Address L-87, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

YOUNG UNDERWRITER WANTED

One of the fastest growing small life insurance companies in the South desires services of young, trained Underwriter. Must be capable of adapting himself to rapid growth of company. Small salary, lots of hard work, responsibility and wonderful opportunity. Address L-81, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Don't Write —

unless you have a sense of humor. If you want a tested sales promotion idea that will increase your business, add prospects, get you talked about—write for details. The plan is exclusive—only one agent in a city may use it.

F. E. Gymer

2123 E. 9th Street, Cleveland 15, Ohio

Fraternal Society Field Managers Debate Problems at French Lick

(CONTINUED FROM PAGE 3)

reserve will purchase an annuity at any age the agent wants to retire.

If a man starts the plan at age 30 and decides to retire at 65, his reserve would be \$32,659 in the 35 years, which would purchase a monthly refund annuity paying \$198.57 per month starting at age 65. All of the fund belongs to the agent or his survivors at all times and under all conditions, but are withdrawable only under settlement options available when he retires. He may change the retirement age from time to time if he so desires.

Mr. Neprud said the agents are enthusiastic about the plan and it is a great incentive to make them and hold them as lifetime career salesmen.

The future of the fraternal system lies with its young people, Joseph Spencer, field director of Protected Home Circle, declared in a talk on "Juvenile Production—As We See It."

"Many years ago, before I became a field director," he said, "I heard members of our field force say that if they could only get one of their feet inside a home, the family would soon be members of our society. Well, that is one of the great objects of the juvenile department." He said that with a good live junior organization it has been found a single child who becomes interested will talk to perhaps a dozen others, and soon the society's deputies begin to receive phone calls or are stopped on the street by parents, and the sale proves to be easy. In any event, the field man is afforded an entrée into the home, and besides signing up some children he frequently sells adults.

Big P.H.C. Junior Group

The P.H.C. junior group at Sharon is its largest (over 1,600) and meets in the home office. The group rehearsed and gave three entertainments in the last winter. All three drew packed houses. There are many other activities, and much is made of graduation in the ritualistic work, with cap and gown, a distinguished out-of-town speaker, and other special details. The children are keenly interested in these affairs, Mr. Spencer said.

Sharon is a small town—30,000—and Mr. Spencer said he believes the greatest opportunities for junior production are in the smaller towns. The children do not have far to go to meetings.

Some field workers watch birth records in newspapers for prospects; some offer prizes or gifts such as pencils or buttons to youngsters for names of prospects. One field worker conducted a contest, with a gold star for every new prospect written.

P.H.C. has several places where dancing classes—tap and ballroom—are given to which only members can go. Many new members are obtained in that way, he said.

Apparently sufficient emphasis finally is being given in fraternalism to training agents, Herbert G. Benz of Aid Assn. for Lutherans declared in a talk on "Training Methods That Click."

"It is to be hoped that the trend will not be of slight duration." He said the most systematic instruction, arranged in most suitable, convenient form, often failed to succeed in the past because too little emphasis was placed on the particular program of the society. This was the result when Aid Assn. introduced the field managers' training course, simply offered it to interested agents and let them study it at their convenience. This was comparable to the old practice of giving a new agent a shiny new rate book and a pat on the back.

Aid Assn. has qualified many agents for F.I.C. designation. A big step forward was organization of a sales' educational department. Training quit be-

ing a sideline of some established department and became a full time task. The effect on field force was salutary, for it was the serving of notice that sales training was to be a serious business and that it considered highly important.

Material Is Important

Selection of material to be used in training is very important, he said. The field managers' course he finds eminently satisfactory.

The study program is one of the first things explained to a prospective agent. He is told he will be expected to make a successful career of life insurance selling, and that to do so he must devote many hours to study. This statement usually weeds out men who merely were going to give it a try.

All Aid Assn.'s new agents are expected successfully to pass the course. They are asked to complete one questionnaire a week for grading, and there is weekly reporting for 22 weeks, covering full field activities. The agent receives graphs, comments and suggestions for improving his field work.

An advantage of a home office educational department, Mr. Benz said, is that it draws agent and home office closer together, a relationship "sadly lacking" under ordinary circumstances. Extra directions, stimulation and encouragement by a supervisory staff go far in making training methods more effective.

"Sales training must be a never-ending endeavor," he said, "and a study program must be in constant operation."

Aid Assn. has done an outstanding job of sales production with very great increases. The fraternal sales training course is used by Aid Assn. for its preliminary course, and the "Agents' Service of the Diamond Life Bulletins published by THE NATIONAL UNDERWRITER as the advanced course. It is planned to put a third course in operation in due time. The D.L.B. course now is made available to all agents who successfully complete the fraternal course. The study units cover approximately nine months, and there is an annual class which studies from September to June.

The society also shows sales training movies at almost every convention of its field men, and has had produced three 16 mm. movies in sound-color telling the story of life insurance in general and Aid Assn. in particular. Sales literature follows points made in the courses. Pamphlets used to send to prospects deal with needs.

Sims Talks on Recruiting

J. R. Sims, Woodmen of the World, Omaha, spoke on "Recruiting in 1946-47." Alden C. Palmer, "Research & Review," Indianapolis, gave a talk at the banquet the first night. A business meeting was held the second afternoon. A number of the managers went there early to play golf and have other recreation.

John C. Phillips, assistant to the president of Modern Woodmen, told his society's methods of financing new agents the first morning. The question whether new men should be financed, paid a salary or placed on straight commission must be answered by the individual society, he said. "Make no mistake about one thing in the very beginning, and that is that the society can expect to face financial losses in whatever program is undertaken. There has been no plan devised yet that is 100% perfect, and so long as we deal with human beings we may be sure that in some cases the society will be taken for a ride in spite of every conceivable precaution."

The new agent must be provided enough income so he can live and pay his bills. If he has to depend upon com-

missions alone and is the average producer he will require many months to get enough business on the books to provide a living wage. He is reluctant to invest his own capital in another man's business to see whether or not he will make good. He feels, Mr. Phillips said, this gamble should be taken by the society.

When he starts under a supervisor the results are closely watched, but the early results usually are not impressive. After a month or two it should be possible to assay him and get a fair idea whether or not ultimately he will make

the grade. By that time, a substantial sum has been invested in him.

Much depends upon the society's state supervising official, Mr. Phillips said. There is a tendency for that official to keep an agent on just so long as the society foots the bill. The field director thus may have to take a firm stand.

Another problem is what to do with the man who is being financed and whose production drops off due to sickness. It is true if the man were punching a time clock in a factory he would not be paid for such a period, Mr. Phillips said, but in life insurance circles

Recipe for the Prime of Life Insurance

Take a sound "old-line" company—one that is at least ninety-nine years old.

Add an alert, well-knit sales organization—one backed by a strong, forward-looking management in the Home Office.

Season with a young, progressive spirit—one which has a true record of pioneering for nearly one hundred years.

Result:

UNION MUTUAL—a company which provides you with a complete personal insurance program which you may offer to your clients with confidence and pride.



UNION MUTUAL
Life Insurance Company
PORTLAND MAINE HOME OFFICE

Rolland E. Irish, President
Harland L. Knight, Agency Vice-President

...LIFE • SICKNESS • ACCIDENT • GROUP...

GLOBE LIFE INSURANCE COMPANY OF ILLINOIS

Offers Illinois Agents
Exceptional Agency Opportunity
VERY ATTRACTIVE CONTRACTS

**COMPLETE LIFE INSURANCE
COVERAGE—AGES 0-60**

**Excellent Line of Juvenile Policies
FULL BENEFIT AGE 5**

For Particulars Write Home Office—Address Since 1895

431 South Dearborn St., Chicago, Illinois
WM. J. ALEXANDER, PRESIDENT

his financing usually is continued, for he needs the money more than ever in time of sickness. It may be that such treatment will cement his loyalty to the society.

Modern Woodmen, he said, has been financing new men for 3½ years, and the experience has been very good. There have been some losses; in spite of careful checking of the men. Mr. Phillips has found other societies cooperative in this matter.

Three Plans Are Offered

His society has three propositions for new men. They must give full time and hold no other jobs, not even as secretaries of M. W. local units. The most popular plan advances commissions of a stipulated amount each week. If there are five pay days in the month he gets five pay checks. Each is sent to him through the state manager. This gives better control and better supervision.

A weekly record of his production is kept for consideration when a pay check is to be released. All commissions accruing on his written business are credited against his account and this is a monthly checkup. "We like to see a new man earn his advances out of his first year commissions only, keeping renewals as a further cushion and margin of security for the loan." An individual record sheet is kept, showing potential value of first year commissions on his business on the books, amount advanced in the month, amount of actual commissions accrued in month, and balance due from him. When there is too much difference between amount owed and potential value of first year commissions, "all danger signals are flying high and wide," Mr. Phillips said.

Another plan is based upon premium income rather than insurance volume. Some men prefer this, but the society does not care which is used.

The third plan calls for advance of commissions at the rate of so many dollars per \$1,000 of insurance of all plans

and kinds except juvenile and term. There is a ceiling of \$300 per month. All plans call for the society to hold commissions which accrue and apply them against commissions advanced. Such a provision is in all contracts with new men, however, M.W. with each check includes a slip explaining the sum is an advance against future commissions. This is done because of a controversy arising in Pennsylvania in which the agent insisted he thought the checks were salary and not chargeable against commissions.

Mr. Phillips greatly favors financing new agents, as it is a very important means of hiring and keeping producers. It will work well if properly administered and if the home office steels it-

self against pleas to go along a little more with poor and mediocre agents.

It has been found the financed men produce on the average double the amount of new business produced by other new men put to work on straight commission basis. It is advantageous to finance a man because then the state supervisor does not leave him to sink or swim. He is better supervised. By and large, the financed man is of higher caliber, Mr. Phillips concluded.

Modern Woodmen has financed only a handful of women. They did not pan out and no longer are on the active list. The society does not object to financing women and is willing to do as much for them as for men, under the same terms and conditions.

"Ad" Men's Southern Round Table Sessions Are Well Integrated

(CONTINUED FROM PAGE 3)

1946 as they did in 1940? If a sale resulted from three interviews compared to the former ratio of a sale to six interviews, has the agent been taught what to do with the time saved? Are too few types of prospects being included in sales plans? Mr. Stamper said "we had gone high hat" in prospecting and selling plans. It should not be forgotten that the greatest service of life insurance is protection.

Various types of advertising used by Jefferson Standard were described by H. R. Marsh, advertising manager, the first speaker on putting the peas in the pod. Jefferson Standard sent out on an average 1,000 letters each working day last year to names furnished by agents. The age change letter produced the highest percentage of returns. Mr. Marsh stated, and other members agreed, that returns from direct mail had fallen off slightly in the past year. The company instituted a direct mail advertising plan 25 years ago, and it now has 11 different types of letters.

Newspaper Mat Service

The company has a newspaper mat service consisting of a series of 40 advertisements which are available to agents. The company shares the cost of these with agents. They run one and two columns wide by six inches in depth. Its advertising agency sends a conditional order to the newspaper in the town where agents are located and it is up to the newspaper to sell the agent on the idea of using the plan. The company also has a plan whereby its financial statement is run in the local paper with the agent's name if the agent uses a minimum of 60 inches of prepared advertising during the year. The statement carries the national advertising rate, while other advertising is run at the local rate.

Transcribed radio announcements available to the agent for spot use developing an insurance need through a dramatized situation are supplied by the home office. The best spot is after a newscast in the late afternoon or evening. Novelties, greeting cards, calendars and other items are used, the entire program being built around the agent, he stated.

Shenandoah Life agents make wide use of the company calendars, E. Norred Trinkle, agency secretary, asserted. The agent pays one-third of the cost of the calendars and express charges. It costs 31 cents in quantity lots. The calendars are shipped out not later than Nov. 15 so that they are received by the agent by Dec. 1. The company makes use of desk calendars, book matches, policy wallets, blotters, and calendar cards. It gives the agent an imprint on anything he wants. The percentage of the cost borne by the agent depends on the use of the item in question by other agents and its cost.

Shenandoah Life keeps a careful record of the sales aids used by each agent

and the various items are carried in stock.

Great Southern Life sends a registered key ring to names furnished by the agent who reply to a circularization at a cost of 17 cents, William Sexton, agency secretary, stated. Prices of sales

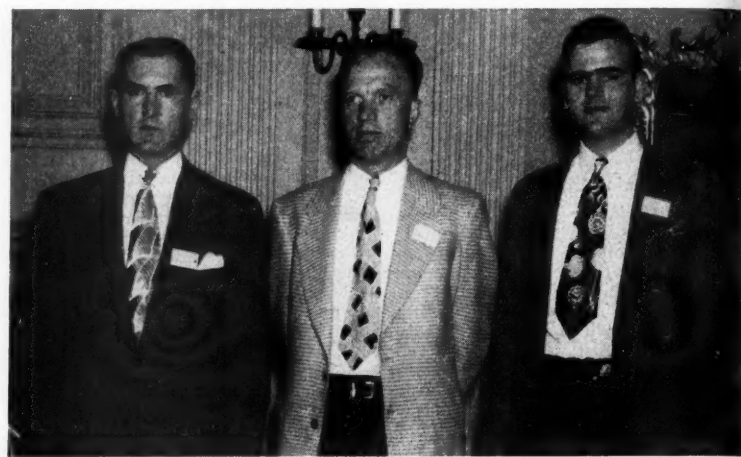
who spends \$1,000 a year on sales novelties.

Gulf Life pre-tests its sales aids by taking select groups in the field, who try them out in actual use, W. J. Hamrick, agency vice-president Gulf Life said. New sales ideas are introduced at regional meetings and in home office classes. The company depends on its managers to sell superintendents of sales aids and the idea is also sold by agency assistants who visit the various territories. If cooperation is obtained from 40% of the field, it is considered O.K. Superintendents will often sell an idea in a district where the manager doesn't.

Sometimes samples are sent direct through the mail to each agent and the idea is taken up at district meetings. The house organ publicizes success stories, in which sales novelties figure. Mr. Hamrick said there should not be too many plans and there should not be too few plans. The company keeps a permanent exhibit of plans on display at its home office.

Pieces are often mimeographed and sent out to the field to get the bugs out of them before they are printed. His company believes in small pieces of sales literature and has a 5½ by eight inch book of sales aids. These are furnished only to managers. The home

PILOT SOUTHERN ROUND TABLE



New officers of the Southern Round Table of Life Advertisers Assn. pictured just after their election at Virginia Beach are: Left to right, J. W. Childrey, Atlantic Life, chairman; Hal R. Marsh, Jefferson Standard, co-chairman, and Fisher Simmons, Pan American, secretary.

aids have gone up considerably and his company endeavors to hold down prices on the items to which agents have become accustomed to use, he said. The company is currently showing three types of calendars to its field men. It has one agent, a million dollar producer,

office pays the full cost of all printed material, cheap memo books, bottle openers, thimbles and shares the cost of thrift books, pencils and gadgets. It pays one-half the cost of calendar cards and furnishes wall calendars free, not imprinted. Literature sent to a district

A LEGAL reserve fraternal life insurance society for all Lutherans on 3% American Experience reserve basis. Twenty-nine years old — \$175,820,660.00 in force. Mortality experience 1946—21.95%. Rate of assets to liabilities—108.70%.

Our new agents' contract, with retirement program, has been enthusiastically received by our agency force. You, too, will be interested.

Address your letter of inquiry to
THE SUPERINTENDENT OF AGENCIES

LUTHERAN BROTHERHOOD
LEGAL RESERVE LIFE INSURANCE FOR LUTHERANS

Herman L. Ekern, President
808 Second Ave. So., Minneapolis 2, Minnesota

**"Since 1868"—the
best in Life Insurance
Service for Catholics**

CATHOLIC



**FAMILY PROTECTIVE
LIFE ASSURANCE SOCIETY**
736 N. WATER STREET - MILWAUKEE 2, WIS.
Whole Family Life Insurance for Catholics

1897



1947

50 Years of Praiseworthy Service

Life Insurance in Force.....\$38,500,000
Benefits Paid since Organization.....24,000,000
Assets now more than.....11,000,000

Liberal and attractive contracts for men and women as Field representatives in Illinois, Michigan, Minnesota and Wisconsin. Write for information.

EQUITABLE RESERVE ASSOCIATION

Life Insurance for Men, Women and Children
Neenah, Wisconsin

paid for by a company check. This causes the district to be conscious of the cost of the material. It has four by six inch sales book which contains rate book, receipt forms, prospect cards for social security information, etc.

White Advises Pre-Testing

There is no substitute for showing a man exactly how something is sold, Rufus White, agency manager Pilot Life, declared. The agency department must be 100% behind a plan to put it over successfully. Sales plans are explained at a managers' meeting showing how it is used. The objective is to try to make it easier for the prospect to buy by making it easier for him to understand. Be sure the idea is a good one before it is brought to the attention of the field, he said. Mr. White said he believed in pre-testing sales plans and the agency department should be thoroughly familiar with the use of the plan before it is given to the field.

Just telling about something isn't enough to learn how to do it, R. Howard Britton, director of training Occidental Life, N. C., declared. He illustrated his point by tying an underwriter's knot, showing how difficult it would be to learn how to tie one simply by reading instructions and without actual experience.

It is necessary to plan the sale of an idea to an agent just as carefully as he plans his sale to a prospect. Direct mail has three uses, prospecting, prestige building and pre-approach. The sole purpose in making a call is to tell a story resulting in the making of a sale. Practice, he said, makes perfect. He outlined the steps in the TWI instruction plan: 1. Prepare the learner; 2. Present the job; 3. Try out performance; 4. Follow-up. If the learner has learned, the instructor hasn't taught.

SATURDAY SESSION

Theme of the Saturday session was what the manager and general agent does in putting the peas in the pod. Chairman R. B. Taylor, Jefferson Standard, reviewed the ideas and thoughts which had been engendered the previous sessions.

Ben Simon, general agent Lincoln National Life, Norfolk, Va., an agency always in the first 10 of his company said that the theme of his agency is merchandising geared strictly to money making. He has been most successful in the use of sales promotional and training material developed by his home office. He has developed the no renewal plan most successfully and operates this phase of his business on an accumulated renewal basis only so that whenever an agent needs capital he has it. The company pays the agent a small interest rate for the sum of money left on hand accumulated from his renewal account.

Mr. Simon said this idea has been one of the main reasons for the development of his top flight men and their retention in the business. His associate general agent, William Yates, who is a trained trainer is responsible for the education of new agents and their carry through to a successful selling campaign.

William H. Andrews, Jr., manager home office agency Jefferson Standard, and former president of the National Association, attributed the success of his agency to his use of direct sales aids and his methodical handling of local advertising in newspapers, radio and other media.

The "Pod" Speaks

Carl H. Storts, an outstanding agent of the Pilot Life in Norfolk, gave a most humorous exposition of how he uses all the prodigious mountain of sales items, gadgets, papers, proposals furnished by an insurance company. His rate books were on strings which he carried in all pants pockets—out of his coat side pockets and inside pockets came varied proposals of the various

forms of life coverages designed to strangle any objections on the part of an unsuspecting prospect. After all that off came his coat and revealed pockets even on the back of the shirt in which he carried a multitudinous number of sample policies, gadgets, and as a final closer, a club to be used as a close. Mr. Storts received a terrific hand for his performance which was smart, funny and carried a most delightful touch of gravel in a friendly sort of way toward the companies.

At the business meeting following the discussions, Mr. Childrey was elected chairman; Mr. Marsh, vice-chairman, and Fisher Simmons, Jr., Pan-American Life, was elected secretary. The site of next year's meeting will be announced later.

Mr. Childrey started his insurance career as a clerk in the agency department of his present company in 1927 and rose to his present capacity of manager of the department.

Roger Bourland, Rough Notes, used as a general subject, "Are Insurance Services Filling Out the Pod?" in his talk following luncheon and adjournment.

Not Much SS Legislation Expected

WASHINGTON—The OASI tax rate will be frozen for another year at 1% each on employers and employees,

Senator Millikin, Colorado, finance committee chairman, has stated. He indicates no prospect for general social security legislation by Congress this year.

Senator Taft, Ohio, says the congressional majority policy committee will consider social security, but indicates no prospect for general legislation at this session.

Kill Guertin Bill in Okla.

The Guertin bill was killed in the Oklahoma house in the final days of the session.

Southland Life Men Elected

Dr. C. Frank Brown, associate medical director Southland Life, has been elected secretary-treasurer of the Texas Medical Directors Society. Dr. H. E. Wiley, medical director of Southland, has been elected chairman of the committee for life insurance forms and the committee on education and public relations.

Complete Instructors' Course

Equitable Society has completed its semi-annual refresher course for the instruction staff, a three-weeks' review of training material. The instructors will move into the field to conduct schools for Equitable agents. Attendance was the largest on record.

Fluegelman Heads New York State Life Underwriters Association

(CONTINUED FROM PAGE 3)

social legislation it is now apparent that they want to get in to this business all the way because they think it is a good business. He said it is hard to understand why they do not wish to qualify in the same manner as all the life companies. It is quite possible that if they further pursue their special privileges they will be asked to modify their system, for the protection and service of policyholders.

Work of Extension Committee

A committee headed by C. D. Connell, general agent Provident Mutual Life, New York City, past president of both state and National associations, is working on extending the state association through the formation of local associations in centers that lack them.

A dinner was given at the Buffalo Launch Club for delegates and association officers by the Buffalo General Agents & Managers' Assn.

At the sales congress, which was attended by more than 1,200 the audience was told by W. P. Lynch, assistant director of field training of Prudential, that purchases of life insurance strike at the "very roots of juvenile delinquency" and are a key factor in helping to preserve the nation's system of private enterprise. Mr. Lynch said FBI Director J. Edgar Hoover blamed the growth of juvenile delinquency on broken homes and lack of parental guidance. Life insurance provides readjustment and school-period income which will keep families together during children's formative years.

compensation plans are extremely important to these executives.

Exhorting insurance men to help workers become acquainted with provisions of the social security act, H. R. Hill, district manager of Life of Virginia in Richmond said few of the millions of workers who have established wage credits under the act understand clearly the benefits payable.

T. W. Foley, general agent of State Mutual Life, New York City, said more local and national advertising by the insurance companies is in order to compete with other types of business. J. Alford Billington, National Life of Vermont, Cleveland, suggested that agents go over all the economic needs of the prospect rather than use high-pressure methods.

Billington Tells Procedure

Mr. Billington described the memorized programming procedure with which he has been successful. He said a memorized procedure is sometimes called a canned sales talk, but that is exactly what it is not. It is an organized procedure using standardized mental operations to interpret the relationship a company bears to the client.

It assures a magnetic attraction through the interview always toward the logical conclusion, regardless of variabilities of personality and the objections which are met, he said. The average agent has a general understanding and

knowledge, while the successful agent, in addition possesses the phraseology and skill in presentation. This phraseology has been developed by experts and mastered by the agent. He asked if it wasn't enough to be concerned with how to say it without the worry of what to say. Mr. Billington said the only good ad-libbers in the world are entertainers and not salesmen.

Calls Programming Best Method

The advantages of the programming method become extended with its use, he said. Programming is the most satisfactory way to conduct an interview because it is based on an objective rather than a selling viewpoint, while subconsciously it breaks down the natural barrier between the agent and the client. Because in most cases the prospects cannot immediately undertake the complete program this method enables the agent to build a clientele in a professional manner.

It was Mr. Billington's contention that by the same token the prestige of the underwriter is raised because he is now in a position of a professional financial adviser. Programming broadens the prospect's concept of his whole financial problem, thereby usually resulting in a larger sale. He cautioned, however, that though the memorized programming procedure is a swell method of selling, skill in presentation only equips the agent with tools with which to dig for gold. He still has to get out and dig.

Mr. Billington conducted a model interview to demonstrate the talk which he memorized at the home office of the company. Milton E. Curtis, his office manager, acted the part of the prospect.

President Fred H. White of the Buffalo Life Underwriters Assn., presided at the opening session. Maurice S. Taber of Buffalo was general chairman. W. Merle Smith was in charge of arrangements.

Convention delegates were dinner guests of the Buffalo General Agents & Managers Assn.

CONVENTION NOTES

The association's honorary president, J. S. Myrick, vice-president of Mutual Life, who has missed only one meeting in 24 years, spoke briefly to the delegates.

Frank Wenner, general agent of Connecticut Mutual Life at Utica, has not missed a meeting since 1924. He was an honorary delegate.

Spencer McCarty, Provident Mutual, Albany, executive secretary of the association, was much in demand by those who wanted information or assistance of one type or another.

Estelle F. Spencer, executive secretary of the Buffalo association, was complimented on the efficient manner in which she handled the registration and other incidentals attendant on the large sales

Hinkle on Hartford Programs

In addition to being on the program of the Connecticut State Life Underwriters Assn. sales congress at Hartford, Roland D. Hinkle, Equitable Society, Chicago, president of the American Society of C. L. U., addressed the Hartford C. L. U. chapter at luncheon. Members of the New Haven, Springfield and Providence chapters also were invited.

FIGHTS INFLATION

He pointed out that every policy helps prevent inflation by removing from the market dollars competing for short supplies of consumer goods. At the same time it helps bolster private enterprise by providing funds for investment by the insurance companies in privately-owned business.


P. W. Cook, general agent of Mutual Benefit Life, Chicago, told the 1,200 insurance representatives attending the meeting that corporate executives are no longer interested in maximum cash compensation because of the confiscatory income taxes. Therefore, deferred

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(CONTINUED FROM PAGE 15)

should retain full right to determine continuance of disability payments.

To hold expenses down on business covering employe groups numbering 25 to 49, Chandler B. Johnson, Aetna Life, said more uniformity in forms and handling is required than in connection with larger groups. His company has considerably standardized forms; requires simple schedules of insurance; reduces handling to a routine, and restricts coverage to a few standard plans. In addition it applies somewhat more restricted rules of underwriting. If an employe wants more protection than the minimum, evidence of insurability is required, though the minimum will be written where that evidence is not satisfactory. If an employe wants one form of coverage, he must take all, except where a new form is added after the plan is established. Group insurance in the 25-49 category is desirable and a legitimate group insurance subject, but it should be self-supporting as regards the insurer.

Prudential's experience with budgetary control in the home office has proved highly satisfactory, J. E. Booher said. The company started it in the actuarial department, where it worked well, and has now extended it to about 70% of the home office. Any such plan must have the backing of top management and the work must be performed by personnel capable of doing it.

Actuaries should try to clear up misconceptions of agents, according to

Milton J. Goldberg of Equitable Society. It is important that the agency and actuarial departments see eye to eye. As an example, often it is hard to get agents to realize the difference between rates on men and women for annuities. By all means agents should understand why it is necessary for actuaries to turn down some agent's proposal.

Others who appeared on the informal discussion program, treating various subjects, were: Milton J. Wood, Travelers; Robert J. Myers, Social Security Administration; Harold G. Paff, Prudential; Ray D. Murphy, Equitable Society; Paul T. Rotter, Mutual Benefit; Harold E. Dow, Prudential; Louis Levenson, Massachusetts Mutual; M. A. Linton, president of Provident Mutual Life; C. J. Nesbitt, University of Michigan; Bruce R. Power, Canadian Life Officers Assn.

Dr. Harald Cramer, the University of Stockholm, president of the Swedish Society of Actuaries, attended the convention, and will take back with him to Stockholm the greetings of the Actuarial Society.

It was announced at the meeting that Harry C. Marvin, consulting actuary at Indianapolis, had just died. He was an associate of the society.

The hardest working group at the convention was the press committee, which did an outstanding job. The committee is composed of Richard C. Guest, State Mutual; E. M. McConney, Bankers Life; William Breiby, Pacific Mutual; R. A. Hohaus, Metropolitan, and Wendell A. Millman, Equitable Society. Mr. Millman was ill, and L. H. McVity of his company pinch-hit for him. In addition, E. A. Green of State Mutual, W. M. Anderson of North American Life, Toronto, and several others were pressed into service and performed ably.

More Legislative Interest Indicated

(CONTINUED FROM PAGE 21)

existing state laws. There is still much to be done. Whether or not state supervision is able to continue to function effectively and exclusively will depend of the effort made by those in the business and those who supervise it to make it work. The multiplicity of jurisdictions of state supervision is a marvel of cooperation and there will be no less need of that cooperation in the future. The talk is treated further in a separate story in this section.

Dr. H. E. Skipper, chairman of biochemistry division, Southern Research Institute, Birmingham, pointed out that millions of dollars could be saved by the life companies in mortality claims if the mortality losses caused by cancer and cardiovascular diseases were reduced. A 5% reduction in death claims would currently yield \$65 million annually.

There has been a great increase in longevity and he said it would almost certainly increase in the present lifetime. During the dark ages, the average longevity was 19 years. It had increased to 41 in 1880, 58 in 1920 and currently is near 65.

Should Live to 150

The animal life span is estimated by authorities to be five times the growth period. Man should live to be approximately 150 years old. The life span of parents and offspring has a definite relationship. The increase in longevity has naturally come largely through improvement in environment. Cancer and cardiovascular diseases must be treated. He urged active support of a \$100 million appropriation for cancer research through the National Science Foundation and group support of medical research. Just a small fraction of the billion dollars spent annually on industrial research for profit would accomplish wonders, he stated.

Average ordinary production per debit for Commonwealth Life has increased from \$25,000 in 1941 to \$80,000 in 1946. W. A. Lonsford, director of industrial agencies of the company, said in discussing the problem of obtaining ordinary production from industrial debits. In order to stimulate ordinary production, he said it is necessary: 1. Decide you want it and sell men on the idea. 2. Make men realize the market for ordinary. 3. Think big. 4. Sell to cover needs. 5. Have a program so the agent will meet the breadwinner. 6. Give a good sales performance.

Mr. Lonsford said ordinary production should be made a part of the agent's job and it then should be recognized when he does well. It should be given publicity in the company's house organ and the agent should be kept informed so that he is conscious of how much of his income is coming from ordinary production.

Has Big Opportunity

There is a splendid opportunity to increase ordinary sales, even though the combination agent has increased his production from \$19,000 out of each \$100,000 ordinary sold in 1920 to \$40,000 out of each \$100,000 in 1946. Each agent has from 400 to 600 homes on his debit to service and he can walk into any one at will. Few agents will produce ordinary in large volume unless they carry a substantial volume of it on their own lives.

In order to get his men to think in terms of larger policies, a manager had each of his agents paste an elephant in his collection book. The agent must learn to sell and to cover needs in order to produce ordinary. Housewives buy only a fraction of the total ordinary sold and it is necessary for the agent to arrange to meet the breadwinner of the home and make evening calls. By checking the death claim papers of a deceased family head, the agent learns the sales

opportunities he missed to place an adequate volume of ordinary. Commonwealth has a 100 lives club.

In order to give a good sales performance, an agent must tell a good story, have good verbal delivery and good physical delivery. The sale must be planned in advance for greatest effectiveness; there is no such thing as a good extemporaneous talk.

Commonwealth believes in the chairman plan and every agent learns a prepared sales talk during his first week in the office. He learns one approach and standard closes. Its training program extends over the first 2½ years of an agent's career and includes five one-week home office schools staggered through the first 2 years, beginning the third month. The agent is paid for skill more than for knowledge and is drilled in skill.

While the life companies have an employee security programs extensive, E. B. Stevenson, executive vice-president National Life & Accident, said he was afraid they sometimes had not kept their own house in order. "We have a right to suppose that the employees of life insurance company will have lesser ambitions for security, either now or in the future, than those of any other business," he stated.

Such programs are of vital importance to all employed people, he emphasized. In the interest of efficiency, good employe relations, and morale, a program is possible and very much to be desired. Such a program will be much more expensive if put off to a later date instead of being adopted now, he indicated. His remarks are reported more fully in this section.

The auditing committee report, given by G. N. Spring, comptroller Industrial Life & Health, chairman, showed the conference to be in excellent financial shape. J. R. Anthony, Jr., secretary-treasurer Suwannee Life, made the special announcements as activities chairman.

Ontario Tax Increased

TORONTO—Taxes on gross premiums of life, fire and casualty companies in Ontario have been increased.

For life companies, which have been taxed 2%, the rate is now 1¾% but there is an additional 25% surtax, which means that on gross premiums of \$100,000 the total tax will be \$2,187.

The rate for fire companies is now 1¾% plus a surtax of 25%.

The stiffest increase is on companies other than life and fire, where the rate is 2% plus 25% surtax, on a total of 2½%.

Collins Rochester Speaker

Basil S. Collins, vice-president of Colonial Trust Co., Boston, spoke at joint dinner meeting of the Rochester Life Insurance & Trust Council and the C.L.U. chapter there on "The Attorney Trust Officers, Life Underwriters and the Public."

Speaks on Prospecting

Mrs. Lillian L. Joseph, Home Life spoke on prospecting at the meeting of the League of Life Insurance Women, New York City. The final meeting of the year, June 3, will be a luncheon.

Ask Small Dept. Boost in Mich.

LANSING—A slight increase in the appropriation for the Michigan insurance department over the past two years is sought in an appropriation bill introduced by Rep. Calvert, Highland Park. The measure would provide \$154,100 for the 1947-48 fiscal year, including \$7,500, salary of the commissioner; \$122,100, salaries of employees; \$24,000, contractual service, supplies and materials, and \$500, equipment.

The amount asked is viewed by insurance observers as modest in view of the fact that the department collects \$6 million annually, in premium taxes and license fees. For the past two years, appropriations were \$138,415 and \$145,535.

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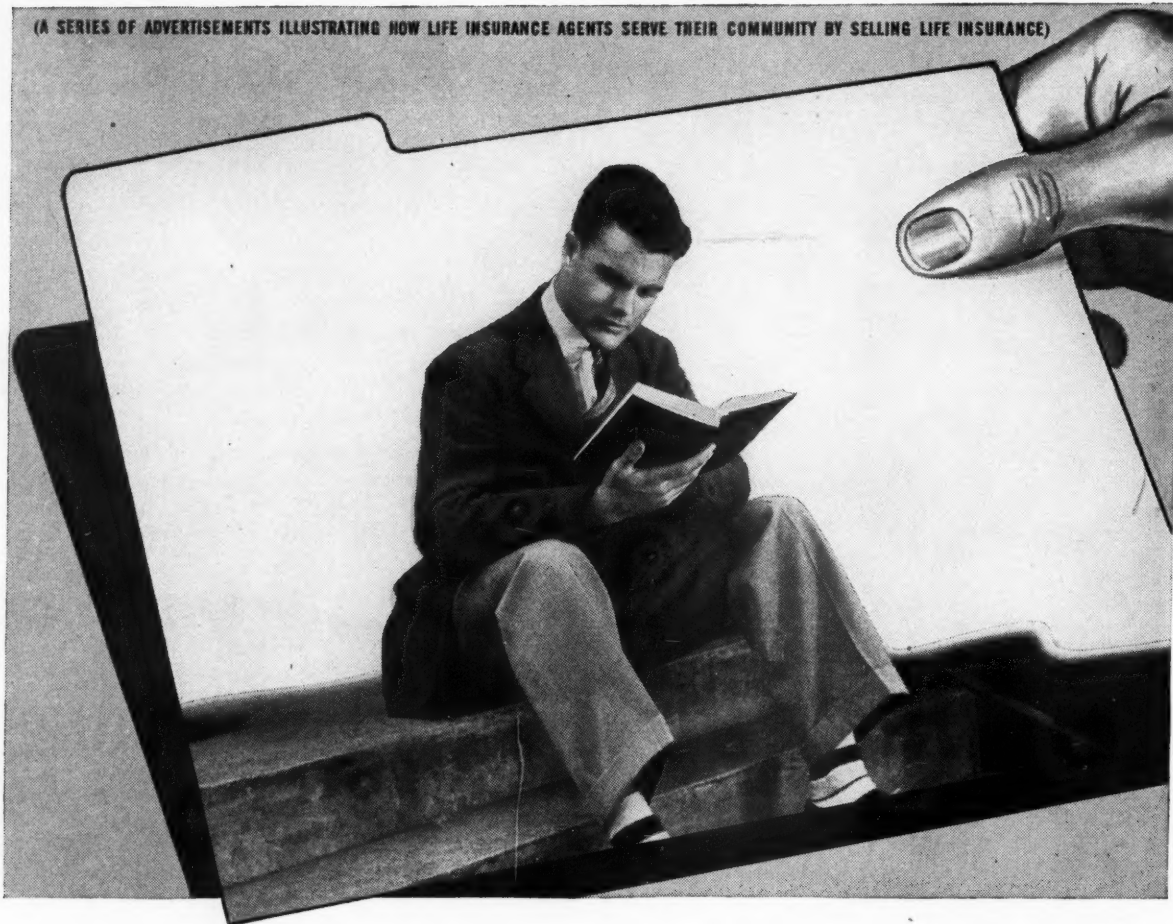
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